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**State:** Arkansas **Filing Company:** Berkley Life and Health Insurance Company  
**TOI/Sub-TOI:** H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness  
**Product Name:** Employer Stop Loss  
**Project Name/Number:** Employer Stop Loss/AH52021

## Filing at a Glance

Company: Berkley Life and Health Insurance Company  
Product Name: Employer Stop Loss  
State: Arkansas  
TOI: H12 Health - Excess/Stop Loss  
Sub-TOI: H12.001 Accident & Sickness  
Filing Type: Form  
Date Submitted: 09/11/2012  
SERFF Tr Num: BLAH-128608382  
SERFF Status: Closed-Approved-Closed  
State Tr Num:  
State Status: Approved-Closed  
Co Tr Num: AH52021  
  
Implementation: On Approval  
Date Requested:  
Author(s): Susan Bradbury, Lee Davidson, Darlene Leary  
Reviewer(s): Rosalind Minor (primary)  
Disposition Date: 09/14/2012  
Disposition Status: Approved-Closed  
Implementation Date:  
  
State Filing Description:

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<b>State:</b>	Arkansas	<b>Filing Company:</b>	Berkley Life and Health Insurance Company
<b>TOI/Sub-TOI:</b>	H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness		
<b>Product Name:</b>	Employer Stop Loss		
<b>Project Name/Number:</b>	Employer Stop Loss/AH52021		

## General Information

Project Name: Employer Stop Loss	Status of Filing in Domicile: Pending
Project Number: AH52021	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: Filing concurrently.
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Small and Large
Group Market Type: Employer	Overall Rate Impact:
Filing Status Changed: 09/14/2012	
State Status Changed: 09/14/2012	Deemer Date:
Created By: Susan Bradbury	Submitted By: Susan Bradbury
Corresponding Filing Tracking Number:	

### Filing Description:

Berkley Life and Health Insurance Company wishes to submit the enclosed Employer Stop Loss/Excess Risk insurance forms for your review and approval as identified on the attached policy form listing. The forms are new and are not intended to replace any existing forms previously filed and approved by your Department.

Upon approval by the Department, any marketing will be either direct to the employer and his or her consultant or through licensed producers (brokers). All marketing methods will always be employed in accordance with state laws and regulation.

This program is intended to provide stop loss or excess risk coverage to employers with self-funded employee medical benefit plans. The program is intended to protect the employer from catastrophic losses when its plan's claims exceed a defined threshold. Benefits are provided for specific stop loss, aggregate stop loss, or both. Please note that this program does not provide medical benefits to the Policyholder's employees or dependents. Premiums are paid by, and benefits are payable to, the Policyholder.

The department has our assurance that no policy will be issued that has an annual attachment point for claims incurred per individual or an annual aggregate attachment point, as established by the state, under applicable state law, if any.

Berkley Life and Health Insurance Company is domiciled in Iowa and this filing has recently been submitted in Iowa and is currently pending review

Unless otherwise informed, we reserve the right on a case by case basis to alter the layout of the enclosed forms, including color, type face and font. We certify that the type size will always remain as the state required size or larger and all statutory/regulatory requirements will not be changed. Variable material indicated by hard brackets ([ ]) that enclose an entire page or paragraphs, phrases or words indicate that text may be included, excluded or modified. No change in the variable areas will be made which will be in conflict with any law, rules or regulations of your state.

If you should have any questions or concerns regarding this submission, please do not hesitate to contact us. We thank you in advance for your prompt review of this filing.

## Company and Contact

### Filing Contact Information

Bradbury Susan, Director, Compliance      sbradbury@berkleyah.com

**State:** Arkansas **Filing Company:** Berkley Life and Health Insurance Company  
**TOI/Sub-TOI:** H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness  
**Product Name:** Employer Stop Loss  
**Project Name/Number:** Employer Stop Loss/AH52021

3655 North Point Parkway 609-584-4644 [Phone]  
Suite 125 866-790-2179 [FAX]  
Alpharetta, GA 30005

**Filing Company Information**

Berkley Life and Health Insurance Company  
11201 Douglas Avenue  
Urbandale, IA 50322  
(866) 723-4452 ext. [Phone]

CoCode: 64890  
Group Code: 98  
Group Name: Berkley Companies  
FEIN Number: 91-6034263

State of Domicile: Iowa  
Company Type: Accident and Health  
State ID Number:

**Filing Fees**

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50.00 per filing  
Per Company: No

Company	Amount	Date Processed	Transaction #
Berkley Life and Health Insurance Company	\$50.00	09/11/2012	62565942
Berkley Life and Health Insurance Company	\$650.00	09/12/2012	62622673

State:	Arkansas	Filing Company:	Berkley Life and Health Insurance Company
TOI/Sub-TOI:	H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness		
Product Name:	Employer Stop Loss		
Project Name/Number:	Employer Stop Loss/AH52021		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	09/14/2012	09/14/2012

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	09/11/2012	09/11/2012

### Response Letters

Responded By	Created On	Date Submitted
Susan Bradbury	09/12/2012	09/12/2012

State:	Arkansas	Filing Company:	Berkley Life and Health Insurance Company
TOI/Sub-TOI:	H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness		
Product Name:	Employer Stop Loss		
Project Name/Number:	Employer Stop Loss/AH52021		

## Disposition

Disposition Date: 09/14/2012

Implementation Date:

Status: Approved-Closed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Berkley Life and Health Insurance Company	%	%				%	%

SERFF Tracking #:

BLAH-128608382

State Tracking #:

Company Tracking #:

AH52021

State: Arkansas

TOI/Sub-TOI: H12 Health - Excess/Stop Loss/H12.001 Accident &amp; Sickness

Product Name: Employer Stop Loss

Project Name/Number: Employer Stop Loss/AH52021

Filing Company:

Berkley Life and Health Insurance Company

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Flesch Certification	Approved-Closed	Yes
Form	Employer Stop Loss Policy	Approved-Closed	Yes
Form	Employer Stop Loss Application	Approved-Closed	Yes
Form	Terminal Liability Option Aggregate Coverage Endorsement	Approved-Closed	Yes
Form	Terminal Liability Option Specific Coverage Endorsement	Approved-Closed	Yes
Form	Monthly Aggregate Accommodation Endorsement	Approved-Closed	Yes
Form	Administrative Change Endorsement	Approved-Closed	Yes
Form	Specific Simultaneous Funding Endorsement	Approved-Closed	Yes
Form	No New Special Limitations and Rate Cap Endorsement	Approved-Closed	Yes
Form	Aggregating Specific Endorsement	Approved-Closed	Yes
Form	Exclusions Coverage Endorsement	Approved-Closed	Yes
Form	Experimental or Investigative Services Endorsement	Approved-Closed	Yes
Form	Organ Transplant Endorsement	Approved-Closed	Yes
Form	Actively At Work Endorsement	Approved-Closed	Yes
Form	External Appeal Endorsement	Approved-Closed	Yes
Rate	Employer Stop Loss Actuarial Memo	Approved-Closed	Yes
Rate	Employer Stop Loss Actuarial Memo	Approved-Closed	Yes
Rate	Employer Stop Loss Aggregate Rates	Approved-Closed	Yes
Rate	Employer Stop Loss Specific Rates	Approved-Closed	Yes

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**State:** Arkansas **Filing Company:** Berkley Life and Health Insurance Company  
**TOI/Sub-TOI:** H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness  
**Product Name:** Employer Stop Loss  
**Project Name/Number:** Employer Stop Loss/AH52021

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/11/2012
Submitted Date	09/11/2012
Respond By Date	

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Dear Bradbury Susan,

**Introduction:**

*This will acknowledge receipt of the captioned filing.*

**Objection 1**

- Employer Stop Loss Policy, AH52021 (Form)
- Employer Stop Loss Application, AH52022-AR (Form)
- Terminal Liability Option Aggregate Coverage Endorsement, AH52023 (Form)
- Terminal Liability Option Specific Coverage Endorsement, AH52024 (Form)
- Monthly Aggregate Accommodation Endorsement, AH52025 (Form)
- Administrative Change Endorsement, AH52026 (Form)
- Specific Simultaneous Funding Endorsement, AH52027 (Form)
- No New Special Limitations and Rate Cap Endorsement, AH52028 (Form)
- Aggregating Specific Endorsement, AH52029 (Form)
- Exclusions Coverage Endorsement , AH52030 (Form)
- Experimental or Investigative Services Endorsement, AH52031 (Form)
- Organ Transplant Endorsement, AH52032 (Form)
- Actively At Work Endorsement, AH52033 (Form)
- External Appeal Endorsement , AH52035 (Form)

Comments:

Our filing fees under Rule and Regulation 57 have been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00 per form for a total of \$700.00. Please submit an additional \$650.00 for this submission.

We will begin our review of this submission upon receipt of the additional filing fee.

**Conclusion:**

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

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**State:** Arkansas **Filing Company:** Berkley Life and Health Insurance Company  
**TOI/Sub-TOI:** H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness  
**Product Name:** Employer Stop Loss  
**Project Name/Number:** Employer Stop Loss/AH52021

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## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/12/2012
Submitted Date	09/12/2012

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Dear Rosalind Minor,

**Introduction:**

Hello Rosalind....

**Response 1**

**Comments:**

I have updated the filing fee tab to include an additional \$650.00.

**Related Objection 1**

Applies To:

- Employer Stop Loss Policy, AH52021 (Form)
- Employer Stop Loss Application, AH52022-AR (Form)
- Terminal Liability Option Aggregate Coverage Endorsement, AH52023 (Form)
- Terminal Liability Option Specific Coverage Endorsement, AH52024 (Form)
- Monthly Aggregate Accommodation Endorsement, AH52025 (Form)
- Administrative Change Endorsement, AH52026 (Form)
- Specific Simultaneous Funding Endorsement, AH52027 (Form)
- No New Special Limitations and Rate Cap Endorsement, AH52028 (Form)
- Aggregating Specific Endorsement, AH52029 (Form)
- Exclusions Coverage Endorsement , AH52030 (Form)
- Experimental or Investigative Services Endorsement, AH52031 (Form)
- Organ Transplant Endorsement, AH52032 (Form)
- Actively At Work Endorsement, AH52033 (Form)
- External Appeal Endorsement , AH52035 (Form)

Comments:

Our filing fees under Rule and Regulation 57 have been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00 per form for a total of \$700.00. Please submit an additional \$650.00 for this submission.

We will begin our review of this submission upon receipt of the additional filing fee.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you for your continued review.

Sincerely,

Susan Bradbury



SERFF Tracking #:

BLAH-128608382

State Tracking #:

Company Tracking #:

AH52021

State: Arkansas

TOI/Sub-TOI: H12 Health - Excess/Stop Loss/H12.001 Accident &amp; Sickness

Product Name: Employer Stop Loss

Project Name/Number: Employer Stop Loss/AH52021

Filing Company:

Berkley Life and Health Insurance Company

## Form Schedule

Lead Form Number: AH52021

Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1	Approved-Closed 09/14/2012	AH52021	POL	Employer Stop Loss Policy	Initial:	50.100	AH52021.pdf
2	Approved-Closed 09/14/2012	AH52022-AR	AEF	Employer Stop Loss Application	Initial:	0.000	AH52022AR.pdf
3	Approved-Closed 09/14/2012	AH52023	POLA	Terminal Liability Option Aggregate Coverage Endorsement	Initial:	0.000	AH52023.pdf
4	Approved-Closed 09/14/2012	AH52024	POLA	Terminal Liability Option Specific Coverage Endorsement	Initial:	0.000	AH52024.pdf
5	Approved-Closed 09/14/2012	AH52025	POLA	Monthly Aggregate Accommodation Endorsement	Initial:	0.000	AH52025.pdf
6	Approved-Closed 09/14/2012	AH52026	POLA	Administrative Change Endorsement	Initial:	0.000	AH52026.pdf
7	Approved-Closed 09/14/2012	AH52027	POLA	Specific Simultaneous Funding Endorsement	Initial:	0.000	AH52027.pdf
8	Approved-Closed 09/14/2012	AH52028	POLA	No New Special Limitations and Rate Cap Endorsement	Initial:	0.000	AH52028.pdf
9	Approved-Closed 09/14/2012	AH52029	POLA	Aggregating Specific Endorsement	Initial:	0.000	AH52029.pdf
10	Approved-Closed 09/14/2012	AH52030	POLA	Exclusions Coverage Endorsement	Initial:	0.000	AH52030.pdf
11	Approved-Closed 09/14/2012	AH52031	POLA	Experimental or Investigative Services Endorsement	Initial:	0.000	AH52031.pdf

<b>State:</b>	Arkansas	<b>Filing Company:</b>	Berkley Life and Health Insurance Company
<b>TOI/Sub-TOI:</b>	H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness		
<b>Product Name:</b>	Employer Stop Loss		
<b>Project Name/Number:</b>	Employer Stop Loss/AH52021		

Lead Form Number: AH52021							
Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
12	Approved-Closed 09/14/2012	AH52032	POLA	Organ Transplant Endorsement	Initial:	0.000	AH52032.pdf
13	Approved-Closed 09/14/2012	AH52033	POLA	Actively At Work Endorsement	Initial:	0.000	AH52033.pdf
14	Approved-Closed 09/14/2012	AH52035	POLA	External Appeal Endorsement	Initial:	0.000	AH52035.pdf

#### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages

# Berkley Life and Health Insurance Company



Urbandale, Iowa

[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Stop Loss Insurance Policy

**Policyholder:** [ABC Company]

**Policy Number:** [12345]

**Original Policy Effective Date:** [May 1, 2013]

**Berkley Life and Health Insurance Company** ("the Company") agrees to reimburse the Policyholder as outlined under the provisions of this Stop Loss Insurance Policy ("this Policy"), subject to all the terms and conditions of this Policy.

This Policy is legally binding between the Policyholder and the Company. This Policy is issued in consideration of the application and the payment of premiums as provided hereinafter.

The first premium is due on the first day of the Policy Period. Subsequent monthly premiums are due on the first day of each month thereafter. The premium is not considered paid until the premium payment is received by the Company.


All periods of coverage will begin and end 12:01 a.m. Standard Time at the principal office of the Policyholder.

This Policy is governed by the laws of the state in which it was issued except to the extent to which such state law is pre-empted by ERISA.

Signed for the Company:

[  ]

President

[  ]

Secretary

**PLEASE READ THIS POLICY CAREFULLY  
ISSUED TO THE POLICYHOLDER IDENTIFIED ON THE SCHEDULE OF INSURANCE**

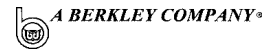
**[This Policy is Participating/Non-Participating]**

Berkley Life and Health Insurance Company is a member company of the W.R. Berkley Corporation .

## Table of Contents

[Schedule of Insurance.....	3
Definitions .....	7
Aggregate Stop Loss .....	10
Specific Stop Loss.....	10
Exclusions.....	11
Premiums and Factors.....	12
Policy Termination .....	13
Claims Provisions .....	14
General Provisions.....	16]

# Berkley Life and Health Insurance Company



Urbandale, Iowa

[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## [Renewal] Schedule of Insurance

**Policyholder:** [ABC Company]

**State of Issue:** [xx]

**Policy Number:** [12345]

**Original Effective Date:** [May 1, 2012]

**Renewal Effective Date:** [May 1, 2013]

**Policy Period** [May 1, 2013 through April 30, 2014]

**PERSONS TO BE COVERED UNDER THE STOP LOSS POLICY:** [Covered Person(s)] who meet the eligibility requirements as set forth under the Policyholder's employee benefit Plan, including:

- [Retired Employees]
- COBRA Continuees

[AGGREGATE STOP LOSS]      ☐ Yes      ☐ No

**Benefit Period:**

Losses Incurred from May 1, 2013 through April 30, 2014  
and Paid from May 1, 2013 through April 30, 2014

Losses Incurred prior to the original Policy Effective Date will be limited to \$ \_\_\_\_\_

**Plan Coverages applying to Aggregate Stop Loss:**

<u>Included</u>	<u>Not Included</u>	<u>Coverage Type</u>	<u>Included</u>	<u>Not Included</u>	<u>Coverage Type</u>
<input type="checkbox"/>	<input type="checkbox"/>	Medical	<input type="checkbox"/>	<input type="checkbox"/>	Vision care
<input type="checkbox"/>	<input type="checkbox"/>	Prescription drugs	<input type="checkbox"/>	<input type="checkbox"/>	Disability income
<input type="checkbox"/>	<input type="checkbox"/>	Dental care	<input type="checkbox"/>	<input type="checkbox"/>	Other _____

**Aggregate Percentage Reimbursable** (Excess of Attachment Point) [100%]

**Monthly Aggregate Factors:**

	<u>Employee</u>	<u>Employee &amp; Spouse</u>	<u>Employee &amp; Child(ren)</u>	<u>Employee &amp; Family</u>
Medical	\$ _____	\$ _____	\$ _____	\$ _____
Dental care	\$ _____	\$ _____	\$ _____	\$ _____
Vision care	\$ _____	\$ _____	\$ _____	\$ _____
Disability income	\$ _____	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____	\$ _____

All included coverages are combined for determination of Aggregate Stop Loss liability under the terms of this Policy.

Maximum Aggregate Benefit per Benefit Period  
(Excess of Annual Aggregate Attachment Point) \$ \_\_\_\_\_

Maximum Plan Losses per [Covered Person] per Benefit Period \$ \_\_\_\_\_

Minimum Annual Aggregate Attachment Point \$ \_\_\_\_\_]

☐ Yes      ☐ No

Losses Incurred from [May 1, 2013] through [April 30, 2014]  
and Paid from [May 1, 2013] through [April 30, 2014]

### Plan Coverages applying to Specific Stop Loss:

Specific Deductible (Per [Covered Person]) \$ \_\_\_\_\_

Aggregating Specific Deductible (if Aggregating Specific Endorsement is selected) \$\_\_\_\_\_

Annual Maximum Specific Benefit (per [Covered Person] in excess of the Specific Deductible) \$ \_\_\_\_\_

**PREMIUMS**

[Aggregate Premium per (month/annum):    Employee Only                    \$ \_\_\_\_\_  
    Employee & Spouse                    \$ \_\_\_\_\_  
    Employee & Child(ren)                \$ \_\_\_\_\_  
    Employee & Family                    \$ \_\_\_\_\_]

[Specific Premium per month:                    Employee Only                    \$ \_\_\_\_\_  
    Employee & Spouse                    \$ \_\_\_\_\_  
    Employee & Child(ren)                \$ \_\_\_\_\_  
    Employee & Family                    \$ \_\_\_\_\_]

**ENDORSEMENTS ATTACHED:**

☐ Terminal Liability Option Aggregate Coverage                    \$ \_\_\_\_\_  
☐ Terminal Liability Option Specific Coverage                    \$ \_\_\_\_\_  
☐ Monthly Aggregate Accommodation                    \$ \_\_\_\_\_  
☐ Specific Simultaneous Funding                    \$ \_\_\_\_\_  
☐ Aggregating Specific                    \$ \_\_\_\_\_  
☐ No New Special Limitations [and Rate Cap]                    \$ \_\_\_\_\_  
☐ Experimental or Investigative Services                    \$ \_\_\_\_\_  
☐ Exclusions                    \$ \_\_\_\_\_  
☐ Organ Transplant                    \$ \_\_\_\_\_  
☐ Actively at Work                    \$ \_\_\_\_\_  
☐ Appeals                    \$ \_\_\_\_\_]

**DESIGNATED TPA:**

TPA Name			
Address	City	State	Zip

[In accepting this renewal, the Policyholder represents that such information accurately reflects the true facts and that the undersigned has authority to bind the Policyholder to the proposed renewal Policy. Accordingly, this renewal Schedule of Insurance, including any required Disclosure Statement, will be a part of the Policy if accepted by the Company.

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Signed at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, [2013]

Signed for the Policyholder X	
Name	Title ]



## Definitions

**[ANNUAL AGGREGATE ATTACHMENT POINT]** for any one Policy Period means the greater of:

- the sum of the Monthly Aggregate Attachment Points; or
- the Minimum Annual Aggregate Attachment Point.]

**BENEFIT PERIOD** means the period of time in which a claim must be Incurred by the [Covered Person] and Paid by the Plan to be eligible for reimbursement under this Policy. This period does not alter the Effective Date, Policy Period, or waive the Policy's eligibility requirements.

**[CLINICAL TRIALS]** means an ongoing Phase I, II, or III clinical trial as defined by the National Institutes of Health, National Cancer Institute, or the Food and Drug Administration (FDA).]

**[COVERED PERSON]** means any one individual enrolled and entitled to benefits under the specific terms and provisions of the Plan. Only eligible classes and individual(s) whose initial and continued eligibility is fully described in the copy of the Plan on file with the Company and shown in the Policy schedule shall be considered a [Covered Person].

**COVERED UNIT** means the following person or persons who are covered under the Plan:

- A [Covered Person]
- A [Covered Person] with Dependents
- Such other defined unit as agreed upon between the Company and the Policyholder.

**COVERED SERVICES** means the benefit provisions contained within your Plan that are not specifically excluded under this Policy.

**[DESIGNATED THIRD PARTY ADMINISTRATOR (DESIGNATED TPA)]** means a firm or person which has been retained by the Policyholder to pay claims and/or provide administrative services on behalf of the Policyholder Plan. Administrator in this definition does not have the same meaning as the term "Plan Administrator" used in the Employee Retirement Income Security Act of 1974 (ERISA), unless the Policyholder has specifically appointed their Administrator to perform as such.]

**DISCLOSURE STATEMENT** means the disclosure statement(s) provided by the Policyholder to the Company in connection with the issuance or renewal of this Policy.

**EFFECTIVE DATE** means the date set forth on the cover page of the Policy.

**[EXPERIMENTAL OR INVESTIGATIVE SERVICES]** means medical treatments, procedures, technology, supplies or drugs which:

1. Have not been approved by the FDA for the particular condition at the time the service, medical treatment, procedure, technology, supply, or drug is provided; or
2. Are the subject of ongoing Phase I, II, or III Clinical Trial as defined by the National Institutes of Health, National Cancer Institute, or FDA, except for certain cancer drugs as outlined below; or
3. Have documentation published in U.S. peer-reviewed medical literature that states that further research, studies, or clinical trials are necessary to determine the safety, toxicity, or efficacy of the service, medical treatment, procedure, technology, supply, or drug; or
4. The patient has been asked to sign or has signed a release or other document indicating that the treatment is Experimental or Investigational or other term of similar meaning.

In determining any of the above, the Company will rely on recognized medical sources such as, but not limited to, the American Medical Association, including the Council of Technology Assistance Program and the Council on Medical Special Services; the National Institutes of Health; Medicare; the FDA; National Comprehensive Cancer Network, and other accepted medical authorities and sources.

In the context of drugs used in the treatment of cancer, the use of a drug will not be considered Experimental and/or Investigational where (1) the drug is not excluded under your Plan; and (2) the drug has been approved by the FDA; and (3) the use of the drug has been recognized as safe and effective for the treatment of the specific type of cancer in the National Comprehensive Cancer Network Drugs & Biologics Compendium™, Thomson Micromedex DRUGDEX, Thomson Micromedex DrugPoints, or Clinical Pharmacology; or (4) the drug is provided in association with a Phase III or IV Clinical Trial for cancer, as approved by the FDA or sanctioned by the National Cancer Institute.

Routine costs will not be considered Experimental and/or Investigational for [Covered Persons] accepted into an approved Clinical Trial (as defined by Section 2709(d) of the Public Health Services Act). Routine costs are limited to: (1) covered health services for which benefits are typically provided in the absence of a Clinical Trial; (2) covered health services required solely for the provision of the investigational item or service, the clinically appropriate monitoring of the effects or item of service, or the prevention of complications; and (3) covered health services needed for reasonable and necessary care arising for the provision of an investigational item or service.

Routine costs for a Clinical Trial does not include: (1) the investigational item, device, or service itself; (2) items and services provided solely to satisfy data collection and analysis needs and that are not used in the direct clinical management of the [Covered Person]; and (3) a service that is clearly inconsistent with widely accepted and established standards of care for a particular diagnosis. As such, these items are considered Experimental or Investigational and are excluded.]

**INCURRED** means the date on which the services are rendered or supplies are received by the [Covered Person].

**[ANNUAL MAXIMUM SPECIFIC BENEFIT** means the amount set forth on the Schedule of Insurance.]

**LOSS** means expenses incurred by a [Covered Person]:

1. For which benefits are eligible and paid by the Policyholder under the Plan, and
2. Which are not in excess of the Usual and Customary Charge(s) for those services, and
3. Which are Medically Necessary and Appropriate for the treatment of an illness or injury or for any preventative care covered by the Plan, and
4. Which are reimbursable under this Policy subject to its terms, deductible(s), limitations and exclusions.

**[MAXIMUM AGGREGATE BENEFIT PER BENEFIT PERIOD** means the maximum amount as specified in the Schedule of Insurance under the Aggregate Stop Loss benefit reimbursable by the Company to the Policyholder for the entire Policy Period as set forth in the Schedule of Insurance.]

**[MAXIMUM PLAN LOSSES [PER COVERED PERSON] PER BENEFIT PERIOD** means the maximum amount of losses which can be reimbursed under this Policy as set forth in the Schedule of Insurance.]

**[MEDICALLY NECESSARY AND APPROPRIATE** means for the purposes of determining benefits under this Policy, a Medically Necessary and Appropriate treatment is one that we determine meets all of the following criteria:

- It is recommended and provided by a licensed physician, dentist, or other medical practitioner who is practicing within the scope of their license; and
- It is generally accepted as the standard of medical practice and care for the diagnosis and treatment of the particular condition; and
- It is approved by the FDA, if applicable.

Such treatment, to be considered Medically Necessary and Appropriate, must be clinically appropriate in terms of type, frequency, extent, site, and duration for the diagnosis or treatment of the sickness or injury. The Medically Necessary and Appropriate setting and level of services is that setting and level of service which, considering the [Covered Person's] medical symptoms and conditions, cannot be provided in a less intensive medical setting. Such services, to be considered Medically Necessary and Appropriate must be no more costly than alternative interventions, including no intervention and are at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of the [Covered Person's] sickness or injury without adversely affecting the [Covered Person's] medical condition.

Merely because a physician recommends, approves or orders a treatment and/or service does not in and of itself make it Medically Necessary and Appropriate.

The Company retains the right to determine whether care or treatment is Medically Necessary and Appropriate. Medically Necessary and Appropriate determinations are made regardless of Provider Network agreement terms and conditions.]

**MINIMUM ANNUAL AGGREGATE ATTACHMENT POINT** means the lowest amount of the Policyholder's responsibility for the Policy Period, as set forth in the Schedule of Insurance, for Losses under the Plan.]

**[MONTHLY AGGREGATE ATTACHMENT POINT** means the total number of Covered Units for that given Policy month multiplied by the corresponding Monthly Aggregate Factors, as specified in the Schedule of Insurance. [However, in the event of a reduction in the number of Covered Units under the Plan, the Monthly Aggregate Attachment Point will not be reduced more than [five] percent from the preceding Monthly Aggregate Attachment Point.]

**[TRANSPLANT** means the transplant of solid organ(s), bone marrow, stem cell, umbilical cord blood, and islet cell from human to human performed to replace an organ or tissue (excluding cornea). Coverage for Transplants is only provided if the Transplant is performed at a facility that is:

- Accredited by the Joint Commission on Accreditation of Healthcare Organizations to perform a Transplant; and
- (For organ Transplants) Is an approved member of the United Network for Organ Sharing for such transplant or is approved by Medicare as a transplant facility for the transplant being performed; and
- (For bone marrow, stem cell or umbilical cord blood Transplants) Is a participant in the National Marrow Donor Program and is approved to perform such transplant by the state where the Transplant is to be performed or by Medicare or by the Foundation for the Accreditation of Hemopoietic Cell Therapy; and
- Outpatient Transplant facilities must be similarly approved; and
- Not otherwise excluded under this Policy or the Plan.]

**PAY, PAID, PAYMENT** means checks or drafts issued and deposited in the U.S. Mail or otherwise delivered to the payee, with sufficient funds on deposit on the date the check or draft is issued.

**[PLAN** means the self-funded employee benefit plan adopted and issued by the Policyholder as required under ERISA. A copy of the Plan and any amendments in effect on the Policy Effective Date is on file with the Company and utilized for purposes of determining the Company's liability under this Policy. The Plan does not waive or modify any of the provisions of this Policy.]

**POLICY PERIOD** means the specified period in the Schedule of Insurance, beginning no earlier than the Effective Date of the Policy and continuing until coverage terminates in accordance with the Policy Termination provision.

**POLICYHOLDER** means the legal entity, named on the face page, to which the Company has issued this Policy.

**SPECIAL LIMITATIONS** means a higher Specific Stop Loss Deductible for a specific [Covered Person], or any reduction, exclusion from coverage, or other limitation of the reimbursement that would otherwise be made under the Policy with respect to a specific [Covered Person(s)] as shown in the Schedule of the Policy within the Special Limitations Provision.

**[SPECIFIC DEDUCTIBLE** means the amount of the Policyholder's deductible for each [Covered Person] under the Plan during the Benefit Period as specified in the Schedule of Insurance. For each [Covered Person], the Specific Deductible will apply separately to each Benefit Period.

**[USUAL AND CUSTOMARY CHARGE(S)]** means the usual charge made by the provider of care for a service, not to exceed the usual charge made by the majority of like providers for the same or like service in the same geographical area in which the service or treatment is performed. Additionally, a charge must be reasonable for the services or treatments being provided and the service(s) and/or fee(s) must be in compliance with generally accepted billing practices for unbundling or multiple procedures.]

### **[Aggregate Stop Loss]**

If the Policyholder's Losses for the Benefit Period, stated in the Schedule of Insurance, exceed the Annual Aggregate Attachment Point for the Policy Period, the Company will reimburse the Policyholder, subject to the terms and conditions of this Policy, including the limits set forth in the Schedule of Insurance, an amount equal to:

- the Aggregate Percentage Reimbursable times the amount by which Losses exceed the Annual Aggregate Attachment Point; and
- not to exceed the Maximum Plan Losses per [Covered Person] per Benefit Period; and
- not to exceed the Maximum Aggregate Benefit per Benefit Period.

If this Policy terminates before the end of the Policy Period as stated in the Schedule of Insurance:

- the Annual Aggregate Attachment Point will be deemed not satisfied; and
- the Company will not be liable for any reimbursement under this Aggregate Stop Loss benefit.

After the end of the Benefit Period, the Company will reimburse the Policyholder for the Aggregate Stop Loss within a reasonable period of time, once satisfactory evidence of Payment of such Loss is received and approved by the Company.

While the determination of benefits under the Plan is the sole responsibility of the Policyholder, the Company reserves the right to interpret the terms and conditions of the Plan as they apply to this Policy. If Company finds that any Payment was not made in accordance with the terms of the Plan, or is not an eligible benefit under the Plan, the Company may exclude such Payment from Losses. The Company has the sole authority to approve or deny reimbursements under this Policy.]

### **[Specific Stop Loss]**

If the Policyholder's Losses for the Benefit Period, as shown in the Schedule of Insurance, exceed the Specific Deductible, the Company will reimburse the Policyholder, subject to the terms and conditions of this Policy, including the limits in the Schedule of Insurance, an amount equal to:

- the Specific Percentage Reimbursable of Specific Stop Loss times the amount by which Losses exceed the Specific Deductible amount; but
- not to exceed the Annual Maximum Specific Benefit.

Losses for any [Covered Person] during the Policy Period will be determined according to the Benefit Period, as shown in the Schedule of Insurance.

The Specific Deductible amount as shown in the Schedule of Insurance applies separately to each [Covered Person] during a Benefit Period.

While the determination of benefits under the Plan is the sole responsibility of the Policyholder, the Company reserves the right to interpret the terms and conditions of the Plan as they apply to the Stop Loss Insurance Policy. If the Company finds that any Payment was not made in accordance with the terms of the Plan, or is not an eligible benefit under the Plan, the Company may exclude such Payment from Losses. The Company has the sole authority to approve or deny reimbursements under this Policy.]

**[Reimbursement of Certain Fees Under Specific Stop Loss:** The following fees will be included as eligible Losses for Specific Stop Loss when Incurred and Paid by the Policyholder, and approved by the Company:

1. Reasonable hourly fees, not to exceed [\$100.00] per hour unless prior approval is received by Company, for case management services provided by a registered nurse case manager retained by the Policyholder or by the Designated TPA. Company retains the right to deny reimbursement of case management fees, if case management reports do not demonstrate quality case management services; and
2. Fees from a third party for: (a) hospital bill audits; (b) access to non-directed provider networks; and (c) negotiating out of network bills or negotiating additional discounts on in network bills. If the Policyholder can demonstrate a cost savings and submits a signed provider agreement, the Company will reimburse the Policyholder up to [25%] of the amount saved, but not to exceed [75%] of the amount paid to the provider up to a maximum of [\$3,000]. To determine the amount saved, the Company will compare the amount the Plan would have paid without the application of the savings against the amount that was paid because of the work performed.

The Company has the sole authority to approve or deny any payment of fees under this Policy.]

Fees charged by the Designated TPA or any subsidiary, affiliate, related entity, or entity with shared common ownership for any of these services will be considered Losses only if prior approval has been obtained in writing from the Company.]

### **[Exclusions**

The Company will not reimburse any Loss or expense caused by or resulting from any of the following:

- [1. Legal expenses, court costs, or interest upon judgments.]
- [2. Punitive or other damages assessed against the Policyholder, Designated TPA or other Party associated with the Plan.]
- [3. Amounts Paid for administration of the Policyholder's Plan including, but not limited to, claim payment fees, cost containment administrative fees, PPO access fees, medical review and consultant fees, premium functions, unless otherwise covered under a provision within this Policy.]
- [4. Amounts Paid for:
  - any individual who is not eligible for benefits under the Plan;
  - any services or supplies, rendered to a [Covered Person], when such service or supply is not a covered service under the Plan.]
- [5. Amounts Paid for [Covered Persons] which are in excess of Usual and Customary charges as determined by the Company.]
- [6. Amounts Paid for expenses that are covered by any other medical plan or insurance, including amounts recoverable under any coordination of benefits provision.]
- [7. Claims arising out of, caused by, contributed to, or in consequence of declared or undeclared war or act of war.]
- [8. Amounts Paid for coverages provided by the employer, but not shown as covered in the Schedule of Insurance.]
- [9. Claims arising out of or in the course of any occupation or employment for wage or profit or claims for which the [Covered Person] is entitled to benefits under any Workers Compensation or Occupational Disease Act or Law.]
- [10. Any managed care discount, negotiated discount, audit savings, or other discount or savings forfeited or waived by the Policyholder for any reason, including, but not limited to, untimely payment.]
- [11. Experimental or Investigative services, treatments, procedures technology, supplies, or drugs.]
- [12. Amounts paid for care or service that is not Medically Necessary and Appropriate .]
- [13. Amounts paid for [Covered Persons] who reside outside of the United States.]
- [14. Amounts paid for any treatment administered outside the United States [if the [Covered Person] traveled to the location where the treatment was received for the purpose of obtaining treatment.]]

- [15. Regardless of any provision within the Plan, if on the Policy Effective Date or Policy Renewal Effective Date, a [Covered Person] is not actively at work or a dependent is totally disabled, in an institution receiving medical care or treatment, or confined at home or elsewhere, any expense incurred by the [Covered Person] will not be considered a covered expense under this Policy. This exclusion will continue for all expenses incurred by the [Covered Person] until he or she is actively at work or for a Dependent who is no longer totally disabled or is no longer in an institution receiving medical care or treatment or confined at home or elsewhere.

For the purposes of this exclusion, a [Covered Person] is considered to be actively at work if he or she is working at your usual place of business or at such places that your normal course of business may require; and performing all of the duties of his or her occupation on a full-time basis, and is not confined in any institution providing care or treatment of physical or mental infirmities.

If a [Covered Person] is not actively at work on the Policy Effective Date or Policy Renewal Effective Date solely because it was not a regularly scheduled work day, the [Covered Person] will be deemed to be actively at work on that day, provided the [Covered Person] is actively at work on the next regularly scheduled work day.

A Dependent is considered totally disabled if they, solely because of injury or sickness, cannot engage in substantially all of the normal activities of a person of like age and sex in good health.

Actively at work will not apply to those individuals previously disclosed and accepted by the Company.])

- [16. Amounts Paid for [Covered Persons]: whose coverage extension under the Consolidated Omnibus Budget Reconciliation Act (COBRA) is continued beyond the timeframes specified by federal law for any reason, including clerical error of the Policyholder; who do not receive a valid COBRA extension offer within the 44 days immediately following a COBRA qualifying event; who fail to make a valid, signed COBRA election within the 60 days immediately following the receipt of COBRA election rights from the Policyholder; or who fail to remit COBRA premium within the period specified by federal law. The Company will require written documentation that these requirements have been satisfied.])
- [17. Amounts paid for [Covered Persons] who are eligible for coverage under Medicare, any benefit reimbursable to the Policyholder under this Policy shall be reduced by the amount of any similar Medicare benefit paid or reimbursable so that the total reimbursements, with respect to a [Covered Person] or his or her dependents, shall not exceed 100% of such person's actual expenses].
- [18. For expenses associated with a Transplant.])]

## Premiums and Factors

**PAYMENT OF PREMIUMS:** No coverage under this Policy will be in effect until the first premium is paid. For coverage to remain in effect, each subsequent Payment as shown in the Schedule of Insurance for the applicable Policy Period, must be paid on or before its due date. The Policyholder is responsible for the Payment of its premiums. Premiums are not considered paid until the premium Payment is received by the Company.

**GRACE PERIOD:** A Grace Period of [31] days from the due date will be allowed for the Payment of each premium after the first premium Payment. During the Grace Period, the coverage will remain in effect, provided the premium is paid before the end of the Grace Period. If a premium otherwise due is not paid during the Grace Period, this Policy will be terminated without further notice, as of the date for which premiums were last paid.

**PREMIUM AMOUNT:** The Policyholder's premiums will be calculated using rates determined by the Company, as set forth in the Schedule of Insurance. The amount of total premium due is the sum obtained by multiplying each rate shown in the Schedule of Insurance by the Covered Units to which the rate applies. Any correction to the [Specific] [or Aggregate] premium of the Covered Units for the preceding Policy Period must be reported to the Company within sixty days after the last Policy month of the preceding Policy Period.

**PREMIUM RATE [AND MONTHLY AGGREGATE FACTOR] CHANGE:** The Company may change the Policyholder's premium rate [or Monthly Aggregate] Factor on any of the following:

- [the date when the terms of this Policy are changed; or
- the date the Policyholder adds or deletes subsidiary or affiliated companies or divisions; or
- the date of any accepted revision to the Plan; or
- the date the geographic area in which the Policyholder has Employees or the nature of business in which the Policyholder is engaged in changes; or
- the date there is a change in enrollment exceeding [10%] of the first month's enrollment of the current Policy Period or the [9<sup>th</sup>] month of the prior Policy Period; or
- the date the Policyholder changes its Designated TPA; or
- the date the Policyholder changes the provider network it utilizes.]

[The Company reserves the right to recalculate the premium rate [and the Monthly Aggregate Factor] for the Policy Period, if there is more than a [ten/twenty-five percent] (10%/25%) variance between:

- the average monthly Paid claims under the Plan for the last two months of the prior Policy Period; and
- the average monthly Paid claims under the Plan for the first ten months of the prior Policy Period.]

### **Policy Termination**

This Stop Loss Insurance Policy will continue in effect until the end of the Policy Period, unless coverage is terminated, as set forth below.

This Policy and all related benefits will terminate upon the earliest of the following dates:

- on the due date of any premium which is not paid, subject to the Grace Period; or
- the premium due date next following receipt by the Company of written notice from the Policyholder that this Policy is to be terminated; or
- the date of termination of the Plan; or
- the date the Policyholder suspends active business operations or is placed in bankruptcy or receivership; or
- the date the Policyholder dissolves.

This Policy may also be terminated at the Company's option immediately upon delivery of a written notification to the Policyholder, effective on:

- the date the number of [Covered Persons] under the Plan becomes less than [seventy-five][or][70% of those eligible];
- the date the Policyholder fails to perform any of its duties and obligations as set forth in this Policy;
- the date the Plan fails to pay claims promptly or to make funds available for the payment of claims as required by the Plan; or
- the date the Designated TPA or Network is changed by the Plan if notice is not provided to the Company and prior acceptance of the change obtained as required by the terms of this Policy.

If this Policy is terminated before the end of the Policy Period stated in the Schedule of Insurance, the Company has no obligation to reimburse the Policyholder for any Losses that are Paid after the date this Policy is terminated. The Company will not refund any portion of the premium paid by the Policyholder whose Plan terminated during the Policy Period.

**PLAN TERMINATION:** The Policyholder will immediately notify the Company in writing, if the Policyholder's Plan is terminated.

## Claims Provisions

**CLAIMS ELIGIBLE UNDER TWO POLICIES:** If a claim for reimbursement can be filed under two different Policy years, it must be filed under the earliest Policy year and is ineligible under the subsequent Policy or subsequent renewal.

**LIABILITY:** The Company will have neither the right nor the obligation under this Policy to directly pay any [Covered Person], provider of professional or medical services, or other third party. The Company's sole liability is to the Policyholder, subject to the terms and conditions of this Policy. Nothing in this Policy shall be construed to permit a [Covered Person] to have a direct right of action against the Company. The Company will not be considered a party to the Plan or to any supplement or amendment to it. The Policyholder may not assign reimbursement under this Policy, and the Company will not recognize any such assignment.

**NOTICE OF CLAIMS:** The Policyholder must give written notice to the Company of a [Covered Person] receiving Eligible Services where the eligible paid claims are expected to exceed or have exceeded [50% - 75%] of the Specific Deductible within [30] days (or as soon thereafter as reasonably possible) of the date incurred or the date the Policyholder becomes aware of the potential/actual claim. Written notice must include: [Covered Person's] first and last name, date of birth, identification number, claims paid and pending amount, primary diagnosis, date of onset, prognosis and anticipated liability for the Policy Period.

The Policyholder must report to the Company any [Covered Person] who is a potential/actual transplantation recipient (excluding corneal and cochlear transplants). Notification for potential/actual transplantation recipients must include the details provided above and the type of transplantation, donor type, date of evaluation, date of listing, facility name, and transplantation network contract provider name. The Policyholder must provide a minimum of quarterly updates to an initial notification or more frequently, if a salient change from the initial reported notice of claim has occurred or upon request of the Company.

The Policyholder must also give written notice of claims to the Company within [30] days of the date the Policyholder and their agents or other representatives become aware of the existence of facts which would reasonably suggest the possibility that Losses will be Incurred which are covered by this Policy, and which are subject to the Aggregate Stop Loss benefit and equal or exceed the Annual Aggregate Attachment Point or are expected to exceed that amount. In addition, the Policyholder must notify the Company immediately when it receives a claim for any potentially catastrophic loss as identified in Exhibit A.

**PAYMENT OF CLAIMS:** Amounts payable under this Policy will be paid to the Policyholder within a reasonable timeframe upon receipt, review and acceptance by the Company of Proof of Loss when the amount exceeds [\$500.00]. Any reimburseable amount remaining unpaid at the end of the Policy Period will be paid after the end of the Policy Period.

**PROOF OF LOSS:** The Policyholder's written Proof of Loss must be submitted to the Company within [90] days of a claim Paid by the Policyholder. Later proof will be accepted only if it is shown to have been furnished as soon as reasonably possible and in no event later than one year after the date of Loss.

**[RISK MANAGEMENT:** The Company has the right to retain the services of medical management vendors, at our expense, to assist us with cost containment when we anticipate that a [Covered Person's] eligible expenses will exceed 50% of the Specific Deductible or when a [Covered Person's] eligible expenses have exceeded the Specific Deductible during the Policy Year. We also may have a medical management vendor or other service provider contact you if, in our determination, that vendor provides a service that may allow your Plan to reduce costs and expenses.]

**[REPORTS AND AUDITS:** The Policyholder will submit by the [15<sup>th</sup>] day of each month all Proof of Loss reports and supporting documents including, but not limited to, a monthly summary of all Losses Paid by the Policyholder and total number of Covered Units covered under the Plan during the prior month. The Policyholder will be responsible for the investigation, auditing, calculating, and the Payment of all claims under the Plan.



The Company will have the right:

- to inspect, copy, and audit all records and procedures of the Policyholder and Designated TPA developed and maintained for the Plan that are applicable to the administration of the Stop Loss Insurance Policy; and
- to require, upon request, documents, such as medical and eligibility records, case management notes, and other similar documents which are satisfactory to the Company that any Payment made to the [Covered Person] or the provider of such services or benefits were Paid in accordance with your Plan and for which are the basis for any purported Loss by the Policyholder.

The Policyholder and its Designated TPA must cooperate with the Company in the event the Company exercises its right to audit as set forth herein. The Company reserves the right to employ a third party to assist us with any audit function.]

**RECOUPMENT:** We have the right to recoup from any claims payment any premium funds owed to the Company that have not been paid. Our right of recoupment does not impair our right to terminate this Policy for non-payment of premium under the termination provisions of this Policy.

**OFFSET:** Any payment or overpayment of a claim made to the Policyholder due to error or mistake must be promptly refunded to the Company upon notice to the Policyholder of such error or mistake. The Company may offset any funds owed to the Company against any funds due the Policyholder.

**RIGHT OF REIMBURSEMENT:** Amounts Paid which are reimbursed by, or payable by other insurance companies, reinsurers, or third parties will not be included in [Aggregate Stop Loss] [or] [Specific Stop Loss] benefits, nor can they be used to satisfy any Deductible under this Policy. Additionally:

- If the Company reimburses the Policyholder for amounts that are later recovered from another party, the amount recovered must be refunded by the Policyholder to the Company to the extent of any paid claims under this Policy. Any repayment amount you owe us survives the termination of this Policy and recoveries made after this Policy terminates must be repaid to us.
- Should there be an over-reimbursement made to the Policyholder due to clerical or other error, the over-reimbursement must be refunded.
- If benefits for a [Covered Person] are payable under an extension of benefits provision of a previous insurance carrier, the Company will not accept responsibility for the expenses payable under the prior coverage for such individuals.

**[SUBROGATION/RIGHT OF RECOVERY:** The Policyholder must pursue all valid claims including, but not limited to, claims for restitution, constructive trust, equitable lien, breach of contract, injunction, and any other state or federal law claims the Plan may have against any third party responsible, in whole or in part, for any Claims paid by the Plan. You must immediately advise us of any amount you recover from them. If the Policyholder fails to pursue any action against a third party and the Company has made benefit payments under this Policy, the Company will be subrogated to all of the Policyholder's rights to make recoveries. The Policyholder is required to cooperate fully and do all things necessary and required for the Company to pursue any action to recover against the third party; the scope of the Policyholder's cooperation shall include, without limitation, the execution of a Subrogation receipt or assignment in favor of the Company and the granting of authorization to the Company to commence litigation or other legal proceedings in the name of the Policyholder to seek recoveries from third parties. The Company agrees to pay its pro rata portion of the Policyholder's attorneys' fees or other costs associated with a claim or lawsuit to the extent that the Company recovers any portion of the benefits paid under this Policy pursuant to its Subrogation right.]

## General Provisions

**[ARBITRATION:** All disputes between the Policyholder and the Company shall be settled by arbitration in accordance with the Commercial Rules of the American Arbitration Association, except with regard to rules governing the selection of arbitrators. It is further stipulated that the arbitrator(s) shall, when adjudicating any dispute under this Policy, consider the terms and conditions of this Policy, applicable substantive law, and may, in the arbitrators' discretion, consider applicable custom and practice in the Accident and Health industry [and the Employer Stop Loss sector.] All matters shall be decided by a panel of three (3) arbitrators, all of whom must be either current or former officers or directors of Life, Health and Accident insurers or current or former insurance brokers or administrators with substantial experience in the [Employer Stop Loss sector.] Each party shall select its own party arbitrator and the parties' chosen arbitrators shall jointly select the third; in the event that the two party-arbitrators cannot agree on the third arbitrator, each party shall appoint three candidates, two of whom shall be stricken by the other party, and the third arbitrator shall thereafter be chosen from the remaining two candidates by the drawing of lots. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction.

This provision shall survive the termination or expiration of this Policy. The arbitrators shall have no power or authority to award punitive or exemplary damages. Any arbitration shall be confidential, and except as required by law, neither party may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the other parties, except that disclosure is permitted to a party's auditors and legal advisors. The parties hereto may alter any of the terms of this provision only by express written agreement, although such alteration may be before or after any rights or obligations arise under this provision. This provision will survive the termination or expiration of this Policy.]

**ASSIGNMENT:** Your interest in this Policy cannot be assigned.

**CLERICAL ERROR:** Clerical error in keeping any records pertaining to the coverage, whether by the Policyholder or by the Company, will not invalidate coverage otherwise validly in force nor continue coverage otherwise validly terminated, provided such clerical error is not prejudicial to the Company and is rectified promptly upon discovery. Your failure to report the existence of a [Covered Person] or comply with the reporting requirements of this Policy shall not constitute clerical error.

**[DESIGNATED THIRD PARTY ADMINISTRATOR:** Without waiving any rights under this Policy, and without making the Designated TPA a party to this Policy, we agree to recognize the Designated TPA as the administrator of the Policyholder's Plan(s), subject to the following:

- The Designated TPA is responsible on behalf of the Policyholder for auditing, calculating, and processing all claim expenses for the underlying Plan within a reasonable amount of time, preparing reports as required by us, and maintain and making available to us, at all times such information as we may reasonable require for proof of payment of claims.
- The Designated TPA must perform such other duties as may be reasonable required by us, including but not limited to, maintaining an accurate record of the [Covered Persons] under the Plan.
- We are not responsible for nor will this Policy reimburse any compensation or fees due to the Designated TPA for functions performed by them for the Policyholder in relation to this Policy.
- Notice to the Designated TPA by us under the provisions of this Policy will be considered notice to the Policyholder and notice to the Policyholder will be deemed notice to the Designated TPA.]

**ENTIRE CONTRACT/CHANGES:** The entire contract between the Company and the Policyholder will consist of this Policy, the attached application and Disclosure Statement, any attached amendments or endorsements, and the Policyholder's Plan which is on file with the Company.

This Policy can be altered only with the consent of the Company and then only in writing. No such alteration of this Policy shall be valid unless endorsed on or attached to this Policy. No agent, broker, or Designated TPA has the authority to alter this Policy or to waive any of its provisions, including premiums shown in the Schedule of Insurance.

**INSOLVENCY:** The insolvency, bankruptcy, financial impairment, receivership, voluntary plan of arrangement with creditors, or dissolution of the Policyholder, The Plan or the Policyholder's Designated TPA will not impose upon the Company any liability other than the liability defined in this Policy. The insolvency of the Policyholder will not make the Company liable to the creditors of the Policyholder, including [Covered Persons] under the Plan.

**LEGAL ACTION:** No legal action may be brought against the Company until there has been full compliance with all the terms of this Policy. All Policy terms will be interpreted under the laws of the state shown on page 1 of this Policy. No legal action may be brought to recover on this Policy within 60 days after written Proof of Loss has been furnished. No legal action may be brought after two (2) years from the time written Proof of Loss is required to be furnished.

**MISREPRESENTATION, CONCEALMENT, FRAUD:** This entire Policy will be void and subject to rescission if the Company determines that the Policyholder or its agent has concealed or misrepresented any material fact or circumstance concerning this Policy, including without limitation material facts contained within the Policy application, the Disclosure Statement, any other material facts provided by the Policyholder to the Company prior to the Policy Effective Date, or regarding any claim or any case of fraud by the Policyholder [or its Designated TPA] or other agent relating to this Policy.

**MISSTATED DATA:** The Company has relied upon the underwriting information provided by the Policyholder, its Designated TPA, or other agent in the issuance of this Policy. Should subsequent information become known which, if known prior to issuance of this Policy, would have affected the rates, deductibles, terms, or conditions for coverage, the Company will have the right to revise the rates, deductibles, terms, or conditions as of the Effective Date of issuance, by providing written notice to the Policyholder or the Policyholder's agent. Nothing contained within this provision shall be deemed to in any way, affect the Company's right to rescind the Policy in the event of a material misrepresentation by the Policyholder or the Policyholder's agent.

**[NON-PARTICIPATING POLICY:** This Policy is non-participating and does not share in the company's surplus earnings.]

**[NO ERISA LIABILITY:** Under no circumstance will the Company accept responsibility as a "Plan Administrator" or be deemed a "plan fiduciary" with respect to your Plan under the Employee Retirement Security Act of 1974, as amended.]

**[NOTICE:** For the purpose of any notice required from the Company under the provisions of this Policy, notice to the Designated TPA shall be considered notice to the Policyholder and notice to the Policyholder shall be considered notice to the Designated TPA. Notice from the Policyholder to the Designated TPA and notice from the Designated TPA to the Policyholder shall not be considered notice to the Company.]

**NOTICE OF APPEAL OR LITIGATION:** The Policyholder must promptly provide the Company with written notice of any objection, appeal, or Insurance Department complaint received on a claim processed under the Plan on which it reasonably appears a reimbursement under this Policy may be payable. A copy of any document filed by or against the Policyholder in any court in connection with litigation under the Plan must be promptly furnished to the Company.

**OTHER COVERAGE:** The reimbursement provided by this Policy is in excess of other coverages such as group insurance, excess insurance, reinsurance, plan benefits including insurance or benefits established by any federal, state or local law.

**[PARTICIPATING POLICY:** This Policy is a participating Policy. Your Policy is eligible to share in the divisible surplus. We will determine its share and credit it as a dividend at the end of each contract year. Dividends may be applied to reduce your premium or paid to you in cash. Unless you advise us otherwise in writing, we will pay dividends, if any, in cash.]

**PARTIES TO THE POLICY:** The parties to this Policy are exclusively the Policyholder and the Company. The Company's sole liability under this Policy is to the Policyholder. This Policy does not create any right or legal relation between the Company and a [Covered Person] under the Plan. This Policy will not be deemed to make the Company a party to any agreement between the Policyholder and any third party.

**PLAN:** The Policyholder will provide to the Company a complete copy of the Plan document governing the Plan. No Plan change will affect this Policy without the Company's written consent. Written notice of the Plan change must be given to the Company at least 31 days prior to the effective date of the change. The Company will have the right to modify premium rates and/or other terms and conditions of coverage if the Company determines that its liability under this Policy has been affected by such Plan change. If advance written notice is not received and accepted and required herein, the Company's reimbursement may be made as if the Plan had not been amended, at the Company's discretion. The Company's reimbursement will be made according to the amended Plan, once the notice is received and accepted.

**POLICY RENEWAL:** This Policy may be renewed unless it has been terminated or is subject to termination in accordance with the termination provisions of this Policy. Policy changes for any renewal Policy will appear on a revised Schedule of Benefits and/or a Policy amendment. Your payment of the renewal premium after receipt of the revised Schedule of Benefits and/or Policy amendment constitutes acceptance of the renewal Policy by you. At the end of the Policy Period, but only by mutual agreement of the Policyholder and the Company, this Policy may be renewed for another Policy Period. The renewal may be subject to new premium rates, new underwriting terms, a new Benefit Period and new Policy terms.

**RECORDS:** The Policyholder will maintain records of all [Covered Persons] under the Plan during the Policy Period and for a period of seven years after the termination of this Policy. The Policyholder shall make such records available to the Company as needed to evaluate its liability under this Policy.

**REINSTATEMENT:** If any premium that is due and owing to the Company is paid after the expiration of the Grace Period, the Company may at its option elect to reinstate the Policy on the terms and conditions that the Company elects at that time.

**SEVERABILITY:** In the event that a court of competent jurisdiction invalidates any provision of this Policy, all remaining provision of this Policy shall continue in full force and effect.

**[STATE HEALTH CARE SURCHARGES:** If the Policyholder pays a state health care surcharge imposed by Louisiana, Massachusetts, or New York in connection with the payment of Losses, such health care surcharges are included as Losses. We will only reimburse health care surcharges imposed by New York up to 8.85% of the amount upon which the surcharge was levied.]

**TAXES:** In the event any state or federal taxing authority which has jurisdiction over either of the parties finds that additional taxes or other assessments, other than premium taxes paid by the Company with respect to this Policy, must be paid in respect of this Policy, the Plan, or related matters, the Policyholder shall be responsible for such additional taxes and the Company shall be held harmless from any such tax liability. Any payments made by the Company under this provision will be reimbursed by the Policyholder upon invoice. If payment is not received the Company reserves the right to offset any payments owed to the Policyholder until the tax is fully paid.

**TIME LIMIT ON CERTAIN DEFENSES:** In the absence of fraud, all statements made by the Policyholder shall be deemed representations and not warranties. No statement made by the Policyholder for the purpose of effecting insurance shall be used to contest this Policy or reduce benefits unless contained in a signed, written application, a copy of which has been provided to the Policyholder. No such statement will be used to contest this Policy after this Policy has been in force for two years.

**WAIVER:** Failure of the Company to strictly enforce its rights under this Policy at any time or under any circumstance shall not constitute a waiver of such rights by the Company at any time under the same or different circumstances.

## Exhibit A

Claims which are considered to be potentially catastrophic are identified below:

1. [Organ, tissue, or bone marrow transplants
2. A length of stay request of more than 14 days
3. A second request for extension of length of stay
4. A second admission in 6 months or less
5. Multiple system failure
6. Multiple trauma
7. Large dollar claim identified during the interim or final billing that exceeds \$15,000
8. Request for intensive level of home health care supplies or services
9. Request for transfer to a rehabilitation facility
10. Ventilator patient greater than 4 days
11. Pain medication required every 8 hours or more frequently
12. Hyperalimentation (total parenteral nutrition)
13. Interim hospital billing
14. Home IV antibiotic therapy
15. Malignant neoplasms (any site)
16. End stage renal disease
17. Biopsy of brain
18. Craniotomy
19. Lobectomy (lung)
20. Pneumonectomy
21. Laryngectomy
22. Thoracostomy
23. Esophagectomy
24. Gastrostomy
25. Hepatectomy
26. Pancreatectomy
27. Nephrectomy
28. Amputation
29. Major burns in excess of 20% - 30% of the body
30. HIV Positive or AIDS (Acquired Immune Deficiency Syndrome) Related Illnesses, such as:
  - Encephalopathy
  - Confusion in patients younger than 50 years old
  - Kaposi's sarcoma
  - Cytomegalovirus
  - Pneumocystis carinii pneumonia
  - Lymphoreticular malignancy

- Toxoplasmosis
  - Cryptosporidium
  - Isospora infection
  - Bronchial or Pulmonary Candidiasis
  - Progressive Multifocal Leukoencephalopathy
  - Herpes simplex or herpes zoster
31. Blood deficiency disorder
- Severe immune deficiency disorder
  - Aplastic anemia
32. Cardiovascular disease
- Endocarditis
  - Cardiomyopathy
  - Late effects of cardiovascular disease
33. Cerebral Vascular Disease with Neurological Deficits
- Anoxic brain damage
  - Multiple fractures, skull/face
  - Cerebral lacerations/ contusion
  - Intracranial or subarachnoid hemorrhage
  - Coma
  - Acute vascular disease (stroke, cardiovascular accident)
  - Viral encephalitis
34. High Risk Neonatal
- Congenital anomalies including but not limited to spina bifida, cleft lip or palate, anomalies of the heart, GI tract, limbs, or circulatory, respiratory, or nervous system
  - Intestinal malabsorption
  - Slow fetal growth, fetal malnutrition (failure to thrive)
  - Short gestation, low birth weight
  - Birth trauma
  - Intrauterine hypoxia and birth asphyxia
  - Respiratory distress syndrome
  - Other respiratory conditions
  - Fetal neonatal hemorrhage
  - Fetal hemolytic disease
  - Apnea/bradycardia
  - Hemorrhage (grade 2-4)
  - Broncho-pulmonary dysplasia
  - Hyaline membrane disease
35. High Risk Obstetrical
- Previous preterm delivery
  - Preterm labor – current pregnancy
  - Anomalous uterus, DES daughter, uterine surgery
  - Second trimester abortion (spontaneous or therapeutic)
  - Incompetent cervix, cone biopsy, large fibroids
  - Multiple gestation
  - Pyelonephritis, recurrent urinary tract infections
  - Cervical dilation or effacement prior to 36 weeks
  - Uterine irritability prior to 36 weeks
  - Placenta previa; polyhydramnios
  - Bleeding

- Toxemia
- Premature rupture of membranes
- Abruptio placenta
- Request for home uterine monitoring, or home monitoring of pregnancy-induced hypertension

36. Infectious diseases

- Tuberculosis
- Septicemia
- Meningitis
- Subacute bacterial endocarditis
- Crohn's disease
- Septic Arthritis
- Osteomyelitis

37. Diabetes mellitus, complicated by one or all of the following:

- Circulatory disorders
- Neurologic impairment
- Amputation
- Chronic renal failure
- Blindness
- Cardiac complications

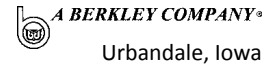
38. Spinal injury/trauma and closed head injury

- Paralytic syndromes
- Quadriplegia, paraplegia, or hemiplegia
- Spinal cord injury
- Closed head injury

39. Neuromuscular

- Amyotrophic Lateral Sclerosis
- Myopathy
- Guillain-Barre Syndrome
- Cerebral Palsy
- Multiple Sclerosis]

# Berkley Life and Health Insurance Company



[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Stop Loss Insurance Application

Application is hereby made to the Berkley Life and Health Insurance Company ("Company") for [Aggregate] [and] [Specific] Stop Loss Insurance. This Application must be accepted and approved by the Company prior to any insurance being in effect.

POLICYHOLDER INFORMATION			
1. Full legal name of Policyholder			
2. Key contact at Policyholder			
3. Address	City	State	Zip
4. Subsidiary or affiliated companies (companies under common control through stock ownership, contract, or otherwise) that are to be included. List legal names and addresses of such companies:			
5. Nature of Policyholder's business			
<input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Other (please describe)			
6. Insurance applied for replaces prior coverage as follows:			
<u>Name of company</u>	<u>Type of coverage</u>	<u>Termination date</u>	
7. Full name of the Employee Benefit Plan			
8. Name and address of Policyholder's Third Party Administrator			
9. Proposed initial Policy period			
10. Persons to be covered under the Stop Loss Policy			
Employees and dependents who meet the eligibility requirements, as set forth under the Policyholder's Employee Benefit Plan, with the exceptions noted below:			
<u>Yes*</u> <u>No</u>		<u>Yes*</u> <u>No</u>	
<input type="checkbox"/>	<input type="checkbox"/> Retired employees	<input type="checkbox"/>	<input type="checkbox"/> Employees who are not Actively at Work
<input type="checkbox"/>	<input type="checkbox"/> COBRA continuees		
* All "Yes" answers must have a Disclosure Statement attached to this Application.			
11. Total eligible employees		Estimated initial enrollment	



Berkley Life and Health Insurance Company is a member company of the W.R. Berkley Corporation.

☐ ☐ Aggregate Stop Loss

Losses Incurred from May 1, 2013 through April 30, 2014

and Paid from                     [May 1, 2013]                     through                     [April 30, 2014]                    

[Losses Incurred prior to the original Policy Effective Date will be limited to \$ \_\_\_\_\_]

<u>Included</u>		<u>Not Included</u>		<u>Included</u>		<u>Not Included</u>	
<input type="checkbox"/>	<input type="checkbox"/>		Medical	<input type="checkbox"/>	<input type="checkbox"/>		Vision care
<input type="checkbox"/>	<input type="checkbox"/>		Prescription drugs	<input type="checkbox"/>	<input type="checkbox"/>		Disability income
<input type="checkbox"/>	<input type="checkbox"/>		Dental care	<input type="checkbox"/>	<input type="checkbox"/>		Other _____

Aggregate Percentage Reimbursable (Excess of Attachment Point) [100%]

	<u>Employee</u>	<u>Employee &amp; Spouse</u>	<u>Employee &amp; Child(ren)</u>	<u>Employee &amp; Family</u>
Medical	\$ _____	\$ _____	\$ _____	\$ _____
Dental care	\$ _____	\$ _____	\$ _____	\$ _____
Vision care	\$ _____	\$ _____	\$ _____	\$ _____
Disability income	\$ _____	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____	\$ _____

All coverages are combined for determination of Aggregate Stop Loss liability under the terms of this Policy.

Maximum Plan Losses  
per Covered Person per Benefit Period  
\$

I

13. Yes No

☐ ☐ Specific Stop Loss

Losses Incurred from           [May 1, 2013]           through           [April 30, 2014]          

and Paid from                     [May 1, 2013]                     through                     [April 30, 2014]                    

[Losses Incurred prior to the original Policy Effective Date will be limited to \$ \_\_\_\_\_  
per Covered Person]

<u>Included</u>		<u>Not Included</u>		<u>Included</u>		<u>Not Included</u>	
<input type="checkbox"/>	<input type="checkbox"/>		Medical	<input type="checkbox"/>	<input type="checkbox"/>		Vision care
<input type="checkbox"/>	<input type="checkbox"/>		Prescription drugs	<input type="checkbox"/>	<input type="checkbox"/>		Disability income
<input type="checkbox"/>	<input type="checkbox"/>		Dental care	<input type="checkbox"/>	<input type="checkbox"/>		Other _____

Specific Deductible (per Person) \$ \_\_\_\_\_

Special Limitations: [the Specific Deductible for John Doe is \$xxxxx]

Aggregating Specific Deductible (if Aggregating Specific Endorsement is selected): \$ \_\_\_\_\_

Lifetime Maximum Specific Benefit  
(per Covered Person in excess of the Specific Deductible)  
\$ \_\_\_\_\_]

**PREMIUMS**

14. [Aggregate Premium per [month/annum]:	Employee only	\$ _____
	Employee & Spouse	\$ _____
	Employee & Child(ren)	\$ _____
	Employee & Family	\$ _____]
[Specific Premium per month:	Employee only	\$ _____
	Employee & Spouse	\$ _____
	Employee & Child(ren)	\$ _____
	Employee & Family	\$ _____]
[Endorsements/Amendments Attached:		
<input type="checkbox"/> Terminal Liability Option Aggregate Coverage Endorsement		\$ _____]
<input type="checkbox"/> Terminal Liability Option Specific Coverage Endorsement		\$ _____]
<input type="checkbox"/> Monthly Aggregate Accommodation Endorsement		\$ _____]
<input type="checkbox"/> Specific Simultaneous Funding Endorsement		\$ _____]
<input type="checkbox"/> Aggregating Specific Endorsement		\$ _____]
<input type="checkbox"/> No New Special Limitations [and Rate Cap] Endorsement		\$ _____]
<input type="checkbox"/> Experimental Investigational Services Endorsement		\$ _____]
<input type="checkbox"/> Actively at Work Endorsement		\$ _____]]

**IT IS UNDERSTOOD AND AGREED AS CONDITIONS PRECEDENT TO THE APPROVAL OF THIS APPLICATION THAT:**

- The Policyholder is financially sound, with sufficient capital and cash flow to accept the risks inherent in a "self-funded" health care plan;
- The Third Party Administrator retained by the Policyholder will be considered the Policyholder's Agent and not the Company's Agent;
- All documentation requested by the Company must be submitted prior to any approval of this Application and must be received by the Company within [thirty (30) days] of the Effective Date;
- The Company will evaluate the Policyholder's risk and may require adjustments of rates, factors, and/or special limitations to accommodate for abnormal risks;
- Premiums are not considered paid until the premium check is received by the Company and at the rates set forth in the Schedule of Stop Loss; and
- If the Policyholder has more than one business location, a representative of the Policyholder at each location has reviewed and completed a Disclosure Statement.

**NOTICE:** Employers/plan sponsors of self-funded health plans should not consider the purchase of stop loss coverage and/or excess loss coverage as complete protection from all liability created by the self-funded health plan. Employers/plan sponsors should be aware that the failure to comply with the terms of the stop loss policy and/or the provisions in the self-funded health plan may cause the employer/plan sponsor to incur liabilities under the health plan. For instance, if medical claims are paid on an ineligible individual, the stop loss carrier may deny the reimbursement under the stop loss policy. In addition, the Arkansas Life and Health Insurance Guaranty Association does not cover claims reimbursable under a stop loss policy.

In making this Application, the Policyholder represents that such information accurately reflects the true facts and that the undersigned has authority to bind the Policyholder to the proposed Policy. Accordingly, this Application, including any attached Disclosure Statement, will be a part of the Policy, if accepted by the Company.

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ [2012]

Signed for the Policyholder

X

Name

Title

Licensed Agent Signature

Licensed Agent Name

X

Social Security Number or Tax ID

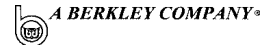
Address

City

State

Zip

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Terminal Liability Option Aggregate Coverage Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXX].

The Annual Aggregate Attachment Point and the Benefit Period for the Aggregate Stop Loss benefit will be revised as outlined below:

The revised Aggregate Stop Loss Benefit Period will be as stated in the Schedule of Insurance plus Losses Paid in the [thirty (30) - ninety (90) days] immediately thereafter.

The revised Annual Aggregate Attachment Point will equal the greater of:

1. the Annual Aggregate Attachment Point for the Policy Period as stated in the Schedule multiplied times [1.25 – 2.00]; or
2. the Minimum Annual Aggregate multiplied times [1.25 – 2.00].

Extended Aggregate Coverage is effective:

1. only if this Policy is terminated at the end of the Policy Period as stated in the Schedule of Insurance; and
2. only if the Policy is not replaced with another stop loss or excess loss policy of any kind whatsoever.

The Policyholder must select this Endorsement at the beginning of the Policy Period stated above and must pay the Endorsement premium as stated in the Schedule of Insurance. If the Aggregate Stop Loss benefit or the Policy are terminated for any reason before the last date of the Policy Period, this Endorsement will be void.

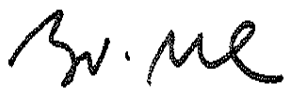
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXX]

Signed for the Company:

[  ]

President

[  ]

Secretary

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Terminal Liability Option Specific Coverage Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXXXX].

The Benefit Period for the Specific Stop Loss benefit will be revised as outlined below.

The Specific Stop Loss Benefit Period will be revised so that the time period during which covered expenses must be paid by the Plan is extended an additional [thirty (30) to ninety (90)] days immediately after the date the Policy is terminated.

Extended Specific Coverage is effective:

1. only if this Policy is terminated at the end of the Policy Period; and
- [2. only if the Policy is not replaced with another stop loss or excess loss policy of any kind whatsoever; and]
3. you utilize the same TPA that administered your plan as of the Policy termination date to administer any run out claims; and
4. only if the additional premium set forth in the Schedule of Insurance has been paid.

The Policyholder must select this Endorsement at the beginning of the Policy Period.

If the Specific Stop Loss benefit or the Policy are terminated for any reason before the last date of the Policy Period, this Endorsement will be void.

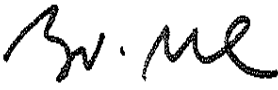
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXX]

Signed for the Company:

[  ]

President

[  ]

Secretary

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Monthly Aggregate Accommodation Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXXXX].

### Monthly Aggregate Benefit

If, in any month during the Policy Period, the total losses Paid by the Policyholder, for which reimbursement is provided under the terms of the Policy, exceed the sum of:

1. the greater of (a) the accumulated Monthly Aggregate Attachment Point or (b) the pro rata portion of the Minimum Annual Aggregate Attachment Point; and
2. any previous advances; and
3. [\$1,000]

the Policyholder may request an advance of the excess Aggregate benefit. The Policyholder must submit, within [20] days following the end of the month for which the advance is requested, Notice of Claim and Proof of Loss. The Company will then advance to the Policyholder the amount by which the sum of year to date losses paid exceeds the sum of 1 and 2 above.

### Reconciliation

At the end of the Policy Period, the Policyholder must submit Proof of Loss showing the sum of all Losses Paid during the Policy Period. If the sum of what the Policyholder Paid is greater than the actual Annual Aggregate Attachment Point, then the Company will pay the amount of that excess less any amounts advanced.

If the Company advanced the Policyholder more than the amount of the Maximum Aggregate Benefit per Benefit Period, the Company may, at its option:

1. require repayment of the overpayment within [30] days after providing written notice of the amount due, subject to a late payment charge of [10%] per annum; or
2. reduce subsequent reimbursements under the Aggregate or Specific Stop Loss benefit by the amount of the overpayment.

### Treatment Accommodation

The accommodation provided under this Endorsement shall be an obligation of the Policyholder for which no interest shall be charged and shall be repaid as provided herein. The accommodation is neither a loan nor an advance on any payments to be made pursuant to the Policy. Any accommodation shall at all times be considered funds of the Company for which the use by the Policyholder of such funds is provided in this Endorsement. The Company shall have preference over all other claimants for the return of an accommodation made under this Endorsement.

The Policyholder shall be liable for all costs and expenses, including reasonable attorney's fees, incurred in the collection of any amount of accommodation outstanding. If the policy terminates before the end of the Policy Period, then any amount owed to us becomes immediately due and payable.

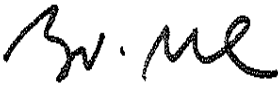
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** XXXXXXXX

Signed for the Company:

[  ]

President

[  ]

Secretary

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Administrative Change Endorsement

Amendment No: [ XX]

This Amendment revises and becomes a part of the Policy to which it is attached. This Amendment is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Amendment conflict, the terms of this Amendment shall govern. Please read this Amendment carefully.

This Amendment attaches to and is made part of Policy Number [XXXXXXX] issued to [XXXXXXXXXXXX].

[This Endorsement may be used to make changes to administrative information, for example name changes, address changes, Policy number changes, Plan name changes, or change of TPA.]

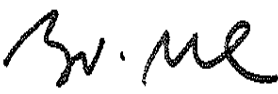
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF AMENDMENT:** [XXXXXXX]

Signed for the Company:

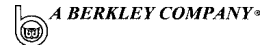
[  ]

President

[  ]

Secretary

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Specific Simultaneous Funding Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXXX] issued to [XXXXXXXXXXXXX].

### Specific Simultaneous Funding Benefit

After the Specific Deductible with regard to a Covered Person has been satisfied, the Company will, upon request, simultaneously fund Specific Stop Loss benefits for Plan claims that have been Incurred but not yet Paid by the Policyholder, subject to the following:

- Simultaneous funding is only available for Plan claims greater than [\$1,000 – maximum annual reimbursement] over the Specific Deductible.
- Claims submitted for simultaneous funding must have been fully processed by the Policyholder or the Third Party Administrator according to the terms of the Plan and must be ready for Payment.
- Normal claim audit procedures will be implemented prior to any Specific Stop Loss benefits being paid by the Company.
- The Policyholder's Payment must be released to the providers of care within 10 working days of receiving the funding check by the Company. Payment within this time period will be considered a Paid claim within the Benefit Period. If such Payment is not made within the required time period, the funding check must be returned to the Company.
- Any portion of the funding check not used to Pay a Plan benefit, due to additional discounts or any other reason, must be returned to the Company within 10 days.
- [The request for simultaneous funding must be received by the Company prior to 30 days before the end of the Policy Period. Requests received after that date are not eligible for simultaneous funding.]


All other terms, conditions, limitations, and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXX]

Signed for the Company:

[  ]

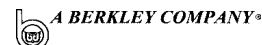
President

[  ]

Secretary



# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## No New Special Limitations [and Rate Cap] Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXXXX].

**The Schedule of Insurance** in the Stop Loss Policy is amended as follows:

[**The Specific Deductible section** is amended to include the following:

### No New Special Limitations at Renewal Program

It is hereby agreed and understood that the Specific Stop Loss Coverage will provide the following at the next renewal:

- There will be no new Special Limitations or increase on existing Special Limitations applied to the Specific Stop Loss coverage, provided that your Plan contains no benefit or eligibility changes.
- Existing Special Limitations remain as shown in the current Schedule of Insurance.]

[**The Premium section** is amended to include the following:

### Rate Cap at Renewal Program

Upon renewal, Specific premium rates are subject to a guaranteed maximum rate increase of [0-50%], provided:

- There are no changes to the Specific Benefit Period as shown in the Schedule of Insurance;
- There are no changes to the Specific Deductible as shown in the Schedule of Insurance;
- There are no changes to the commission level;
- There has not been more than a [10 - 30%] increase or decrease in the number of Covered Persons as shown in the Schedule of Insurance;
- There has not been a change to Persons to Be Covered Under the Policy; and
- There is no significant change in the Benefits provided under your Plan or any significant change in the Plan terms]

We reserve the right to change, modify or cancel this Endorsement, should you amend or change your Plan in any way that materially affects our risk or liability with regards to the Policy or this Endorsement, or if your renewal Policy contains any of the material changes described above.

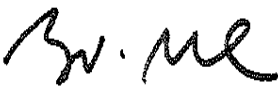
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** XXXXXXXX

Signed for the Company:

[  ]

President

[  ]

Secretary

## Aggregating Specific Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXXXX].

1. The following Definitions are added to the Policy:

**AGGREGATING SPECIFIC DEDUCTIBLE** means the amount shown in the Schedule of Insurance, which will apply separately to each Benefit Period.

**SPECIFIC EXCESS AMOUNT** means the amount by which Losses for a Covered Person for the applicable Benefit Period exceed the Specific Deductible, multiplied by the Specific Percentage Reimbursable shown in the Schedule of Insurance. The Specific Excess Amount may not exceed the Annual Maximum Specific Benefit.

**TOTAL SPECIFIC EXCESS AMOUNT** means the total of the Specific Excess Amounts for all Covered Persons for whom Losses for the applicable Benefit Period exceed the Specific Deductible.

2. The Specific Stop Loss benefit is deleted and replaced with the following:

### **Specific Stop Loss**

If the Policyholder's Losses for the Benefit Period, as shown in the Schedule of Insurance, exceed the Specific Deductible for a Covered Person, the Company will calculate the Specific Excess Amount for that Covered Person. The Company will monitor the Specific Excess Amounts for all Covered Persons for the applicable Benefit Period. No Specific Stop Loss benefit will be payable until the Total Specific Excess Amount exceeds the Aggregating Specific Deductible. Once exceeded, the Company will reimburse the Policyholder, subject to the terms and conditions of this Policy including the limits in the Schedule of Insurance:

- equal to the Specific Percentage Reimbursable of Specific Stop Loss times the amount by which Losses exceed the Aggregating Specific Deductible amount; but
- not to exceed the Annual Maximum Specific Benefit.

Losses for any [Covered Person] during the Policy Period will be determined according to the Benefit Period as shown in the Schedule of Insurance.

The Specific Deductible amount as shown in the Schedule of Insurance applies separately to each [Covered Person] during a Benefit Period.

While the determination of benefits under the Plan is the sole responsibility of the Policyholder, the Company reserves the right to interpret the terms and conditions of the Plan as they apply to the Stop Loss Insurance Policy. If the Company finds that any Payment was not made in accordance with the terms of the Plan, or is not an eligible benefit under the Plan, the Company may exclude such Payment from Losses. The Company has the sole authority to approve or deny reimbursements under this Policy.]

**[Reimbursement of Certain Fees Under Specific Stop Loss:** The following fees will be included as eligible Losses for Specific Stop Loss when Incurred and Paid by the Policyholder, and approved by the Company:

1. Reasonable hourly fees, not to exceed [\$100.00] per hour, unless prior approval is received by the Company, for case management service provided by a registered nurse case manager retained by the Policyholder or the Designated TPA. The Company retains the right to deny reimbursement of case management fees if case management reports do not demonstrate quality case management services; and
2. Fees from a third party for: (a) hospital bill audits; (b) access to non-directed provider networks; and (c) negotiating out of network bills or negotiating additional discounts on in-network bills. If the Policyholder can demonstrate a cost savings and submits a signed provider agreement, the Company will reimburse the Policyholder up to [25%] of the amount saved not to exceed [75%] of the amount paid to the provider up to a maximum of [\$3,000]. To determine the amount saved, the Company will compare the amount the Plan would have paid without the application of the savings against the amount that was paid because of the work performed.

The Company has the sole authority to approve or deny any payment of fees under this Policy.]

Fees charged by the Designated TPA , or any subsidiary, affiliate, related entity, or entity with shared common ownership, for any of these services will be considered Losses only if prior approval has been obtained in writing from the Company.]

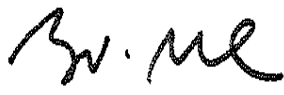
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXXX]

Signed for the Company:

[  ]

President

[  ]

Secretary

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Exclusions Coverage Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXX].

The Policy exclusions contained in the Exclusion section of the Policy are deleted with the exception of exclusion numbers 1, 2, 3, 4, 6, 7, 8, 9, 10, 13, 16, and 17 and replaced with the exclusions, limitations and associated definitions contained within the Plan; or

The following Policy exclusions contained in the Exclusion section of the Policy are deleted: 5, 11, 12, 14, 15, and 18 and replaced with the exclusions, limitations and associated definitions contained within the Plan.

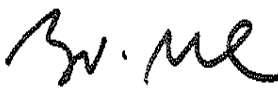
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXX]

Signed for the Company:

[  ]

President

[  ]

Secretary

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Experimental or Investigative Services Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXX].

### **EXPERIMENTAL OR INVESTIGATIVE SERVICES Endorsement**

The definition of **EXPERIMENTAL OR INVESTIGATIVE SERVICES** in the Policy is hereby deleted and replaced with the experimental definition contained within the Plan on file with Berkley Life and Health Insurance Company.

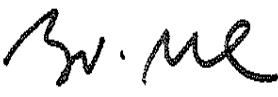
All other terms, conditions, limitations, and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXX]

Signed for the Company:

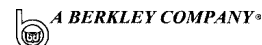
[  ]

President

[  ]

Secretary

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Organ Transplant Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXX].

**The Company's Transplant Facility** means a hospital or facility which is part of the Company's contracted network and is accredited by the Joint Commission on Accreditation of Healthcare Organizations to perform a Transplant and:

For Organ Transplants: is an approved member of the United Network for Organ sharing for such transplant or is approved by Medicare as a transplant facility for the transplant being performed.

For unrelated allogeneic bone marrow or stem cell transplants: is a participant in the National Marrow Donor Program;

For autologous stem cell transplants: is approved to perform such transplant by the state where the transplant is to be performed by Medicare or by the Foundation for the Accreditation of Hematopoietic Cell Therapy. Outpatient transplant facilities must be similarly approved.

### ORGAN TRANSPLANT BENEFIT

This Policy contains an Organ Transplant benefit, under which your Specific Deductible shown in the Schedule of Insurance for a [Covered Person] can be reduced if the following criteria are met:

1. Your Plan requires precertification for Transplant-related hospitalizations and outpatient Transplant procedures; and treats the Company Transplant Network partners as in-network providers;
2. You require your Designated TPA and Provider Network(s) to permit [Covered Persons] to access the Company's Transplant Facilities;
3. You must advise the [Covered Person(s)] that they may access the Company's Transplant Facilities if they require a Transplant;
4. You agree to waive any exclusion under your Plan that would conflict with the Company's contracted arrangement, including such expenses to procure an organ when that fee is included in the Company's negotiated arrangement; and
5. You advise your Designated TPA and medical management vendor(s) that [Covered Person(s)] may access the Company's Transplant Facilities and instruct your Designated TPA and medical management vendor(s) to contact [Berkley's Clinical Risk Management Unit] at [1-800-xxx-xxxx] when they receive notice that a [Covered Person] may require a Transplant.

If all of the above criteria are satisfied by you and your Plan, and a [Covered Person] has a Transplant performed at the Company's Transplant Facility, we will reduce your Specific Deductible by [25/50/75/100%] for the [Covered Person] in the Policy Period in which the Transplant occurs. We will also pay any associated fee charged by the Company's Transplant Facility.

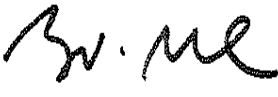
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXXX]

Signed for the Company:

[  ]

President

[  ]

Secretary



# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## Actively At Work Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXXXX].

### Actively at Work

The Actively at Work exclusion in the Policy is hereby deleted and replaced with the eligibility requirements of the Plan on file with Berkley Life and Health Insurance Company. Anyone not meeting the eligibility provisions of the Plan on file with Berkley Life and Health Insurance Company are excluded from coverage under the Stop Loss Policy to which this amendment is attached.

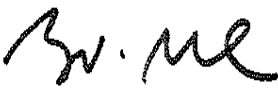
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXX]

Signed for the Company:

[  ]

President

[  ]

Secretary

# Berkley Life and Health Insurance Company



Urbandale, Iowa  
[Underwriting Office:  
2445 Kuser Road, Suite 201  
Hamilton Square, NJ 08690]

## External Appeal Endorsement

This Endorsement revises and becomes a part of the Policy to which it is attached. This Endorsement is subject to all the provisions, limitations, and exclusions of the Policy, except as they are specifically modified herein. In the event any provision of the Policy and this Endorsement conflict, the terms of this Endorsement shall govern. Please read this Endorsement carefully.

This Endorsement attaches to and is made part of Policy Number [XXXXXX] issued to [XXXXXXXXXXXX].

In the event Covered Services are Paid for a [Covered Person] due to a reversal by an Independent Review Organization of a previous denial of such Covered Services, and such Covered Services are Paid after the last Paid date provided in the Benefit Period (the "Last Paid Date"), the Benefit Period to pay such Covered expenses will be extended for a period not to exceed [twelve (12)] months from the Last Paid Date provided:

- a. Such Losses are not eligible under any other coverage; and
- b. Such Losses are otherwise payable under the terms of the Policy; and
- c. The Company was informed in writing with the details of the Loss within [60] days of the filing of an appeal for the claim denial.
- d. The Policy renews and is in effect when the claim is Paid.

When Losses are Paid pursuant to the terms and conditions of this Endorsement, such Losses will relate back to the Benefit Period in which they were Incurred and will be excluded from any other Benefit Period.

For purposes of this Endorsement, Independent Review Organization means the organization for external review as required under the external review process of the Patient Protection and Affordable Care Act and as covered under the Plan.

If the Policyholder terminates this Policy for any reason prior to the end of the Policy Period this Endorsement will be void.

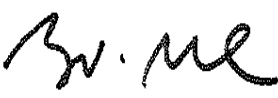
All other terms, conditions, limitations and exclusions of the Policy remain unchanged.

**EFFECTIVE DATE OF ENDORSEMENT:** [XXXXXXX]

Signed for the Company:

[  ]

President

[  ]

Secretary

State:	Arkansas	Filing Company:	Berkley Life and Health Insurance Company
TOI/Sub-TOI:	H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness		
Product Name:	Employer Stop Loss		
Project Name/Number:	Employer Stop Loss/AH52021		

## Rate Information

Rate data applies to filing.

Filing Method:	Initial Submission
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Berkley Life and Health Insurance Company	%	%				%	%

SERFF Tracking #:

BLAH-128608382

State Tracking #:

Company Tracking #:

AH52021

State: Arkansas

TOI/Sub-TOI: H12 Health - Excess/Stop Loss/H12.001 Accident &amp; Sickness

Product Name: Employer Stop Loss

Project Name/Number: Employer Stop Loss/AH52021

Filing Company:

Berkley Life and Health Insurance Company

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action*	Rate Action Information	Attachments
1	Approved-Closed 09/14/2012	Employer Stop Loss Actuarial Memo	AH52021	New		BLHIC ESL - Actuarial Memo (AR).pdf
2	Approved-Closed 09/14/2012	Employer Stop Loss Actuarial Memo	AH52021	New		BLHIC ESL - Actuarial Memo Endorsements.pdf
3	Approved-Closed 09/14/2012	Employer Stop Loss Aggregate Rates	AH52021	New		BLHIC ESL - Aggregate Rating Exhibits (AR).pdf
4	Approved-Closed 09/14/2012	Employer Stop Loss Specific Rates	AH52021	New		BLHIC ESL - Specific Rating Exhibits (AR) (1 of 2).pdf BLHIC ESL - Specific Rating Exhibits (AR) (2 of 2).pdf

**Berkley Life and Health Insurance Company**  
**Group Specific and Aggregate Stop Loss Product**  
**Policy Form Series: AH52021T**

**ACTUARIAL MEMORANDUM**

**I. Scope and Purpose of Filing**

This memorandum and the accompanying exhibits present documentation to support premium rates for Berkley Life and Health Insurance Company's offering of a group specific and aggregate stop loss policy. This is a new policy form offered to self-funded groups. Specific benefits are described in the following section.

**II. Description of Benefits**

The party insured is the plan sponsor, usually the employer, of a group medical expense program. The group medical expense program is self-funded with the plan sponsor (employer) being responsible for paying all legitimate claims as provided in the Summary Plan Description of the program. In order to protect the plan sponsor from unusually large claims within a single twelve-month period the plan sponsor purchases stop loss coverage that limits his out-of-pocket costs to a maximum amount selected by the plan sponsor.

The two types of stop loss coverage are:

1. Specific Loss Risk Insurance where the carrier, Berkley Life and Health Insurance Company, will reimburse the plan sponsor for the claims in excess of the deductible applied to each individual's reimbursable expenses. The minimum deductible amount is \$20,000. Benefits selected by the employer are defined by the following factors:
  - Policy specific amount
  - Incurred and paid period:
    - Incurred in 12 months, Paid in 13 to 24 Months
    - Incurred in 12 to Unlimited months, Paid in 12 months
2. Aggregate Loss Risk Insurance where the carrier, Berkley Life and Health Insurance Company, will reimburse any plan sponsor payments under the plan not reimbursed by Specific Loss Risk Insurance, which exceed an aggregate attachment point selected by the plan sponsor. For groups with less than 51 employees, attachment points are no less than the greater of 1) \$4,000 multiplied by the number of group members 2) 130% of the expected claims or 3) \$20,000. For groups with 51 or more employees, attachment points are set at 110% of the expected claims or higher.

**III. Renewability**

Group policies are optionally renewable on an annual basis.

**IV. Applicability**

The rates apply to new business since this is a new product.

**V. Morbidity**

The deductibles for specific stop loss vary by size of group and by size of total expected claims. Generally, they range from 2% to 15% of expected claims. For example, a group with 200 employees and expected claims of \$1,000,000 might select a specific

**Berkley Life and Health Insurance Company**  
**Group Specific and Aggregate Stop Loss Product**  
**Policy Form Series: AH52021T**

**ACTUARIAL MEMORANDUM**

deductible of \$50,000 to \$75,000 depending upon the plan sponsor's aversion to risk, relative premium cost and other considerations.

The basis for rates is the Towers Watson Specific Stop Loss and Towers Watson Aggregate Stop Loss Rate Manuals.

Claim costs vary by the following parameters:

- Individual and family specific limits
- Age and gender mix of group
- Effective month
- Incurred and paid combination
- Actively at work requirement
- Geographic location
- Industry
- Attachment point
- Group size
- Claims experience of group

VI. **Mortality and Persistency**

This is a group policy renewable on an annual basis and all expenses are level by year. Individual mortality and persistency assumptions are not applicable.

VII. **Expenses**

Total expenses are anticipated to be in the range of 22.5% to 37.5% of premium. An illustrative expense structure may be as follows and include provisions for:

Premium Taxes	2.5%
Commissions	0%-15.0%
Administrative/Underwriting Expense	10.0%
Profit / Contingency and Risk Margin	10.0%

VIII. **Marketing Method**

This policy is marketed primarily by brokers and TPAs.

IX. **Underwriting**

The Company would review the group's industry, plan design, prior overall experience and prospects for individuals with significant ongoing medical problems. Information would generally be obtained from the plan sponsor and the administrator of the program. The underwriting function is to determine if the group is acceptable and, if so, collect the facts required to establish the appropriate premium rates.

X. **Premium Classes**

Rates are calculated for two tier (employee only and family) or four tier (employee only, employee and spouse, employee and child(ren), family).

**Berkley Life and Health Insurance Company  
Group Specific and Aggregate Stop Loss Product  
Policy Form Series: AH52021T**

**ACTUARIAL MEMORANDUM**

**XI. Issue Age Range**

Not applicable – eligibility depends on the underlying self-funded benefit plan.

**XII. Area Factors**

The first three digits of the zip code assign area designation.

**XIII. Premium Modalization**

Premiums are all paid on a monthly premium mode.

**XIV. Reserves**

This is an annual renewable group term policy and does not have any active life reserves. Premiums are based on incurred claims paid in a specified period and include provision for any Incurred-But-Not-Reported reserves.

**XV. Trend**

The current expected monthly trends are:

<u>Specific Range</u>	<u>Monthly Trend</u>
<\$75,000	1.3%
\$75,000 - \$174,999	1.4%
\$175,000 - \$299,999	1.5%
\$300,000 and Greater	1.6%

**XVI. Minimum Loss Ratio**

The minimum loss ratio presumed reasonable for this type of policy is 57.5%.

**XVII. Anticipated Loss Ratio**

The anticipated loss ratio for this policy, assuming expected loads, is 65%. This is based on the ratio of annual benefits to annual premium.

**XVIII. Distribution of Business**

Each policy premium is priced for the same loss ratio; therefore the actual distribution by policy does not affect the overall loss ratio.

**XIX. Contingency and Risk Margin**

The expected contingency and risk margin is 10% and is due to the volatile nature (excess coverage) of medical stop loss insurance. The load incorporated in the premium rates accounts for the extra risk on this type of insurance and allows us to achieve a reasonable long term rate of return.

The contingency and risk margin incorporates the expected investment income on this product. Due to the short policy period and claim payment run-out period associated with this product, the value of investment income is expected to be less than 1% of gross premium.

**Berkley Life and Health Insurance Company  
Group Specific and Aggregate Stop Loss Product  
Policy Form Series: AH52021T**

**ACTUARIAL MEMORANDUM**

XX. **Experience**

There is no experience because this is a new policy form. The basis for rates is described in Section V. Morbidity.

XXI. **Lifetime Loss Ratio**

This is not applicable to this group policy.

XXII. **History of Rate Adjustments**

This is not applicable to this group policy since this is a new policy form.

XXIII. **Number of Policyholders**

None, this is a new policy form.

XXIV. **Proposed Effective Date**

Rates would be quoted on this form as soon as approved.

XXV. **Certification**

I, Thomas M. Skurat, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and an Actuary at Berkley Accident and Health. To the best of my knowledge, the rates documented herein are not excessive, inadequate, nor unnecessarily discriminatory. Moreover, the actuarial methods, considerations, and analyses used in forming our opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board.

I certify that to the best of my knowledge this rate filing is in compliance with the applicable laws of the state and the rules of the Department of Insurance. Furthermore, I certify that the rates are not excessive or inadequate, nor unfairly discriminatory and are reasonable in relation to the benefits being provided. The rates conform to generally accepted actuarial principles and standards.



---

Thomas M. Skurat, FSA, MAAA  
Berkley Accident and Health  
July 30, 2012



**Berkley Life and Health Insurance Company**  
**Actuarial Memorandum**  
**Specific and Aggregate Stop Loss**  
**Form AH52021**

**I. Scope and Purpose of Filing**

The following provides the basis for the rates charged for the group insurance under group policy form AH52021; Terminal Liability Option Aggregate Coverage Endorsement form AH52023; Terminal Liability Option Specific Coverage Endorsement form AH52024; Monthly Aggregate Accommodation Endorsement form AH52025; Specific Simultaneous Funding Endorsement form AH52027; No New Special Limitations [and Rate Cap] Endorsement AH52028

**II. Description of Benefits**

- **Terminal Liability Option Aggregate Coverage** - increases the claims payment period of the aggregate stop loss policy by three months upon the termination of a group
- **Terminal Liability Option Specific Coverage** - increases the claims payment period of the specific stop loss policy by three months upon the termination of a group
- **Monthly Aggregate Accommodation** – provides reimbursement to the group for claim shortfalls on a monthly basis, rather than at the end of the policy year
- **Specific Simultaneous Funding** – provides reimbursement to the group prior to a claim being funded by the group
- **No New Special Limitations and Rate Cap Endorsement** – provides that there will be no new or any increase to existing Special Limitations, applied to the Specific Stop Loss coverage and, upon renewal, specific premium rates are subject to a guaranteed maximum rate increase.

**III. Renewability** – Optionally renewable

**IV. Applicability** – Applies to new issues

**V. Morbidity**

- **Terminal Liability Option Aggregate Coverage** – The basis for rates is the Towers Watson Aggregate Stop Loss Rate Manual.
- **Terminal Liability Option Specific Coverage** – The basis for rates is the Towers Watson Specific Stop Loss Manual.
- **Monthly Aggregate Accommodation** – there is no additional ultimate loss from this endorsement since this coverage is intended to cover the additional administrative expenses and the cash flow lost from advance funding of the claims.
- **Specific Simultaneous Funding** - there is no additional ultimate loss from this endorsement since this coverage is intended to cover the additional administrative expenses and the cash flow lost from advance funding of the claims.
- **No New Special Limitations and Rate Cap Endorsement** – The basis for rates is the Towers Watson Specific Stop Loss Manual.

**VI. Mortality** – Not applicable

**Berkley Life and Health Insurance Company**  
**Actuarial Memorandum**  
**Specific and Aggregate Stop Loss**  
**Form AH52021**

VII. **Persistency** – There are no lapse assumptions.

VIII. **Expense Loads**

Total expenses are anticipated to be in the range of 22.5% to 37.5% of premium. An illustrative expense structure may be as follows and include provisions for:

Premium Taxes	2.5%
Commissions	0%-15.0%
Administrative/Underwriting Expense	10.0%
Profit / Contingency and Risk Margin	10.0%

IX. **Marketing Method** – This product is sold through brokers and TPAs.

X. **Underwriting** – There is no underwriting on this policy form.

XI. **Premium Classes** – Premium rates vary only with respect to the rates of the underlying specific and aggregate stop loss as described above.

XII. **Issue Age Range** – Not applicable since eligibility depends on the underlying self-funded benefit plan.

XIII. **Area Factors** – There are no area factors.

XIV. **Premium Modalization Rules** – Premium is billed monthly.

XV. **Claim Liability and Reserves**

- **Terminal Liability Option Aggregate Coverage** – A liability will be set up upon termination of a group if this option is selected. The liability will be based on claims completion factors.
- **Terminal Liability Option Specific Coverage** – A liability will be set up upon termination of a group if this option is selected. The liability will be based on claims completion factors.
- **Monthly Aggregate Accommodation** – No additional liability is set up since the endorsement only accelerates the payment of the incurred claims.
- **Specific Simultaneous Funding** - No additional liability is set up since the endorsement only accelerates the payment of the incurred claims.
- **No New Special Limitations and Rate Cap Endorsement** – A additional liability will be set upon renewal of the group if the Special Limitation(s) and/or rate increase are insufficient.

XVI. **Active Life Reserves** – Not applicable

**Berkley Life and Health Insurance Company**  
**Actuarial Memorandum**  
**Specific and Aggregate Stop Loss**  
**Form AH52021**

**XVII. Trend Assumptions**

- **Terminal Liability Option Aggregate Coverage** – Incorporates the trend assumptions in the underlying stop loss policy.
- **Terminal Liability Option Specific Coverage** – Incorporates the trend assumptions in the underlying stop loss policy.
- **Monthly Aggregate Accommodation** – None
- **Specific Simultaneous Funding** – None
- **No New Special Limitations and Rate Cap Endorsement** – Incorporates the trend assumptions in the underlying stop loss policy.

**XVIII. Minimum Required Loss Ratio For This Form** – 57.5% (Note that the minimum loss ratio is not met for the Monthly Aggregate option and the Specific Advance Funding option, as the extra cost of the endorsement is for the extra administrative expense and lost interest).

**XIX. Anticipated Loss Ratio**

Terminal Liability Option Aggregate – 65%  
Terminal Liability Option Specific – 65%  
Monthly Aggregate – 0%  
Specific Advance Funding – 0%

**XX. Contingency and Risk Margin** – 10%

**XXI. Experience Under This Form** – There is no experience under this policy since the form is new.

**XXII. Number of Policies Nationwide** – There are no policies nationwide for this policy form since it is new.

**XXIII. Proposed Effective Date** – Upon state approval

**XXIV. Certification**

I, Thomas M. Skurat, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and an Actuary at Berkley Accident and Health. To the best of my knowledge, the rates documented herein are not excessive, inadequate, nor unnecessarily discriminatory. Moreover, the actuarial methods, considerations, and analyses used in forming our opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board.

I certify that to the best of my knowledge this rate filing is in compliance with the applicable laws of the state and the rules of the Department of Insurance. Furthermore, I certify that the rates are not excessive or inadequate, nor unfairly discriminatory and

**Berkley Life and Health Insurance Company**  
**Actuarial Memorandum**  
**Specific and Aggregate Stop Loss**  
**Form AH52021**

are reasonable in relation to the benefits being provided. The rates conform to generally accepted actuarial principles and standards.

A handwritten signature in blue ink, appearing to read "T M Skurat".

Thomas M. Skurat, FSA, MAAA  
July 30, 2012  
Berkley Accident and Health

# Berkley Life and Health Insurance Company

## Arkansas Aggregate Stop Loss Pricing Methodology

Step				Table	Note
1) Specific Stop Loss Deductible	<input type="text"/>				
2) Area Cost Assignment	<input type="text"/>			I	Enter the area cost assignment from Ta
		Group Size Below Actual ( b )	Group Size Above Actual ( c )		
3) Group Size	Actual ( a ) <input type="text" value="30"/>	<input type="text" value="25"/>	<input type="text" value="50"/>	II	
4) Interpolation Weights Based on Group Size		( d ) <input type="text"/> $\frac{(b) \times [(c) - (a)]}{(a) \times [(c) - (b)]}$	( e ) <input type="text"/> $\frac{(c) \times [(a) - (b)]}{(a) \times [(c) - (b)]}$		
5) Risk Charge Ratio	( f ) <input type="text"/>	( g ) <input type="text"/>	( h ) <input type="text"/>	II	Enter the Risk Charge from Table II base
6) Interpolated Risk Charge Ratio	<input type="text" value="-"/>				$[(g) \times (d)] + [(h) \times (e)]$
7) Total Annual Expected Claims For the Group	<input type="text"/>				Enter expected annual claims for the gr
8) Total Monthly Net Premium		\$ <input type="text" value="-"/>			$[(6) \times 7] / 12$ (12 = number of mor
9) Commissions (% of gross premium)	<input type="text" value="10.00%"/>				
10) Administration (% of gross premium)	<input type="text" value="10.00%"/>				
11) Premium Tax and Fees (% of gross premium)	<input type="text" value="2.50%"/>				
12) Profit and Margin (% of gross premium)	<input type="text" value="10.00%"/>				
13) Total Retention (% of gross premium)		<input type="text" value="32.50%"/>			$9) + 10) + 11) + 12)$
14) Monthly Per Employee Gross Premium Rate		\$ <input type="text" value="-"/>			$8) / [100\% - 13)]$

# Berkley Life and Health Insurance Company

Arkansas Aggregate Stop Loss Pricing Methodology

Cost Table Assignment

Table I

State	Zip	Area Cost
Arkansas	All of State	Low

# Berkley Life and Health Insurance Company

Arkansas Aggregate Stop Loss Pricing Methodology

Risk Charge

Table II

The following Risk Charge is applied to expected claims below the specific stop loss deductible

		Cost Area Low					
		Aggregate Attachment Point as a Percent of Expected Claims					
Group Size	Stop Loss Deductible	110%	115%	120%	125%	130%	140%
25	20,000	0.0442	0.0338	0.0261	0.0194	0.0144	0.0076
25	25,000	0.0511	0.0398	0.0312	0.0237	0.0180	0.0100
25	30,000	0.0568	0.0448	0.0356	0.0275	0.0213	0.0122
25	40,000	0.0668	0.0538	0.0437	0.0346	0.0274	0.0166
25	50,000	0.0755	0.0617	0.0508	0.0409	0.0331	0.0210
50	20,000	0.0301	0.0207	0.0144	0.0094	0.0061	0.0023
50	25,000	0.0346	0.0243	0.0173	0.0116	0.0078	0.0031
50	30,000	0.0383	0.0274	0.0198	0.0136	0.0093	0.0040
50	40,000	0.0450	0.0331	0.0245	0.0174	0.0124	0.0058
50	50,000	0.0508	0.0381	0.0288	0.0210	0.0153	0.0076
100	20,000	0.0213	0.0129	0.0079	0.0043	0.0023	0.0005
100	25,000	0.0242	0.0150	0.0094	0.0054	0.0030	0.0008
100	30,000	0.0265	0.0168	0.0107	0.0062	0.0036	0.0010
100	40,000	0.0306	0.0200	0.0131	0.0080	0.0048	0.0015
100	50,000	0.0342	0.0229	0.0154	0.0097	0.0061	0.0020
150	25,000	0.0202	0.0116	0.0067	0.0034	0.0017	0.0003
150	30,000	0.0221	0.0129	0.0076	0.0040	0.0020	0.0004
150	40,000	0.0253	0.0153	0.0093	0.0051	0.0027	0.0006
150	50,000	0.0281	0.0174	0.0109	0.0062	0.0035	0.0008
150	60,000	0.0305	0.0193	0.0123	0.0072	0.0042	0.0011
150	75,000	0.0336	0.0218	0.0142	0.0086	0.0052	0.0015
200	20,000	0.0162	0.0085	0.0044	0.0019	0.0008	0.0001
200	25,000	0.0182	0.0098	0.0052	0.0024	0.0010	0.0001
200	30,000	0.0197	0.0109	0.0059	0.0028	0.0013	0.0002
200	40,000	0.0225	0.0128	0.0072	0.0036	0.0017	0.0003
200	50,000	0.0248	0.0145	0.0085	0.0044	0.0022	0.0004
200	60,000	0.0268	0.0159	0.0095	0.0051	0.0027	0.0005
200	75,000	0.0293	0.0179	0.0110	0.0061	0.0033	0.0008
250	25,000	0.0170	0.0087	0.0044	0.0019	0.0007	0.0001
250	30,000	0.0184	0.0096	0.0050	0.0022	0.0009	0.0001
250	40,000	0.0208	0.0113	0.0061	0.0028	0.0013	0.0002
250	50,000	0.0228	0.0127	0.0071	0.0034	0.0016	0.0002
250	60,000	0.0245	0.0139	0.0080	0.0040	0.0019	0.0003
250	75,000	0.0267	0.0156	0.0091	0.0048	0.0024	0.0005
300	25,000	0.0159	0.0079	0.0038	0.0015	0.0005	0.0000
300	30,000	0.0172	0.0087	0.0043	0.0017	0.0007	0.0001
300	40,000	0.0194	0.0101	0.0052	0.0023	0.0009	0.0001
300	50,000	0.0212	0.0113	0.0060	0.0027	0.0012	0.0001
300	60,000	0.0227	0.0124	0.0068	0.0032	0.0014	0.0002
300	75,000	0.0246	0.0138	0.0077	0.0038	0.0018	0.0003
300	100,000	0.0271	0.0157	0.0092	0.0048	0.0024	0.0005

# Berkley Life and Health Insurance Company

Arkansas Aggregate Stop Loss Pricing Methodology

Risk Charge

Table II

The following Risk Charge is applied to expected claims below the specific stop loss deductible

		Cost Area Low					
Group Size	Stop Loss Deductible	Aggregate Attachment Point as a Percent of Expected Claims					
		110%	115%	120%	125%	130%	140%
300	125,000	0.0292	0.0174	0.0105	0.0057	0.0030	0.0007
300	150,000	0.0310	0.0189	0.0116	0.0065	0.0036	0.0009
500	50,000	0.0177	0.0085	0.0039	0.0014	0.0004	0.0000
500	60,000	0.0188	0.0092	0.0043	0.0016	0.0006	0.0000
500	75,000	0.0200	0.0102	0.0050	0.0020	0.0007	0.0001
500	100,000	0.0216	0.0115	0.0059	0.0025	0.0010	0.0001
500	125,000	0.0229	0.0125	0.0067	0.0030	0.0013	0.0001
500	150,000	0.0238	0.0134	0.0074	0.0035	0.0016	0.0002
750	50,000	0.0156	0.0069	0.0027	0.0007	0.0002	0.0000
750	60,000	0.0163	0.0075	0.0030	0.0009	0.0002	0.0000
750	75,000	0.0170	0.0081	0.0035	0.0011	0.0003	0.0000
750	100,000	0.0179	0.0089	0.0041	0.0014	0.0005	0.0000
750	125,000	0.0186	0.0096	0.0046	0.0017	0.0006	0.0000
750	150,000	0.0191	0.0101	0.0050	0.0020	0.0008	0.0001
1,000	50,000	0.0141	0.0061	0.0021	0.0005	0.0001	0.0000
1,000	60,000	0.0145	0.0064	0.0023	0.0006	0.0001	0.0000
1,000	75,000	0.0149	0.0069	0.0026	0.0007	0.0001	0.0000
1,000	100,000	0.0154	0.0075	0.0031	0.0009	0.0002	0.0000
1,000	125,000	0.0158	0.0079	0.0035	0.0011	0.0003	0.0000
1,000	150,000	0.0161	0.0082	0.0038	0.0013	0.0004	0.0000
1,000	200,000	0.0165	0.0088	0.0042	0.0016	N/A	N/A
1,000	250,000	0.0168	0.0091	0.0046	0.0019	N/A	N/A
3,000	50,000	0.0070	0.0034	0.0008	0.0001	N/A	N/A
3,000	75,000	0.0071	0.0035	0.0010	0.0001	N/A	N/A
3,000	100,000	0.0071	0.0036	0.0011	0.0001	N/A	N/A
3,000	150,000	0.0071	0.0036	0.0012	0.0002	N/A	N/A
3,000	200,000	0.0071	0.0037	0.0013	0.0003	N/A	N/A
3,000	250,000	0.0071	0.0037	0.0014	0.0003	N/A	N/A
6,000	50,000	0.0039	0.0021	0.0004	0.0000	N/A	N/A
6,000	75,000	0.0039	0.0021	0.0005	0.0000	N/A	N/A
6,000	100,000	0.0039	0.0021	0.0005	0.0000	N/A	N/A
6,000	150,000	0.0039	0.0021	0.0006	0.0000	N/A	N/A
6,000	200,000	0.0039	0.0021	0.0006	0.0001	N/A	N/A
6,000	250,000	0.0039	0.0021	0.0006	0.0001	N/A	N/A
10,000	50,000	0.0024	0.0013	0.0002	0.0000	N/A	N/A
10,000	75,000	0.0024	0.0013	0.0003	0.0000	N/A	N/A
10,000	100,000	0.0024	0.0013	0.0003	0.0000	N/A	N/A
10,000	150,000	0.0024	0.0013	0.0003	0.0000	N/A	N/A
10,000	200,000	0.0024	0.0013	0.0003	0.0000	N/A	N/A
10,000	250,000	0.0024	0.0013	0.0004	0.0000	N/A	N/A



# Berkley Life and Health Insurance Company

Arkansas Specific Stop Loss Pricing Methodology  
Specific Stop Loss Rating Methodology

Step		Employee	Composite Dependent	Table Number	Note
1)	Area Assignment for Group			I	Look up the area assignment for the group using the first three digits of the group's primary zip code
2)	Specific Stop Loss Contract Type				Enter the contract type (12/12, 15/12, paid, 12/15, etc)
3)	Specific Stop Loss Deductible				Enter the specific stop loss deductible
4)	Base Net Premium			II	Select the base rates for employee and composite dependent for the above area assignment, contract type, and specific stop loss deductible
5)	Adjustment for Out-of-Pocket			III	Enter the factor for the group's out-of-pocket maximum by selecting the coinsurance, out-of-pocket maximum for the above area assignment
6)	Adjustment for Payment Period			IV	If the contract is incurred in 12 months then enter the factor corresponding to the run-out period else enter 1.00
7)	Adjustment for Run-In Period			V	If the contract is paid in 12 months then enter the factor corresponding to the run-in period else enter 1.00
8)	Adjusted Base Rate	\$ -	\$ -		4) x 5) x 6) x 7)
9)	Adjustment for Maximum Benefit			VI	Enter the dollar amount of the adjustment corresponding to the plan maximum
10)	Adjustment for Case Management			VII	Enter the dollar amount of the adjustment for the corresponding specific stop loss deductible if there is no case management else enter 0
11)	Adjustment for Mental Illness			VIII	Enter the dollar amount of the adjustment for the corresponding specific stop loss deductible if there are limits on mental illness benefits else enter 0
12)	Adjustment for Substance Abuse			IX	Enter the dollar amount of the adjustment for the corresponding specific stop loss deductible if there are limits on substance abuse benefits else enter 0
13)	Adjustment for Exclusion of Organ Transplants			X	Enter the dollar amount of the adjustment for the corresponding specific stop loss deductible if organ transplant benefits are excluded for the appropriate area else enter 0
14)	Adjustment for Prescription Drugs			XI	Enter the dollar amount of the adjustment if prescription drug benefits are excluded for the appropriate area and specific stop loss deductible else enter 0
15)	Infertility Adjustment			XII	Enter the dollar amount of the adjustment if infertility benefits are included for the appropriate area and specific stop loss deductible else enter 0
16)	Subtotal (2) through (10)	\$ -	\$ -		9) + 10) + 11) + 12) + 13) + 14) + 15)
17)	Adjusted Base Rate After Benefit Adjustments	\$ -	\$ -		8) + 16)
18)	PPO Adjustment			XIII	Enter the factor based on the underwriter's evaluation of the provider network from Tab XIII. If a provider network is present and a full analysis is not performed use a factor of .90.
19)	Adjustment for Family Specific Deductible	n/a		XIV	Enter the factor for the composite dependent corresponding to the number of deductibles per family and the specific stop loss deductible
20)	Adjustment for No Pre-Certification			XV	Enter a factor of 1.10 if the plan does not have pre-admission certification and continued stay review
21)	Industry Factor			XVI	Enter the industry factor based on the group's SIC code
22)	Age/Gender Factor			XVII	Enter the Age/Gender factor calculated from Table XVII
23)	Dependent Participation Factor	n/a		XVII	Enter the dependent participation factor into the Composite Dependent rate
24)	Dependent Contribution Factor	n/a		XVIII	If the dependent participation is not known enter the Employer Dependent Contribution factor into the Composite Dependent rate
25)	Nonstandard Plan Year Factor			XIX	Enter the factor for a nonstandard contract based on whether the contract is a run-in or run-out, the number of months of the contract, and the specific stop loss deductible
26)	Trend Factor			XX	Enter the factor to modify the rates for the effective date of the policy
27)	Other Risk Adjustments			XXI	Enter the sum of all the applicable adjustments from Table XXI and add 1.000
28)	Adjusted Base Net Premium	\$ -	\$ -		17) x 18) x 19) x 20) x 21) x 22) x 23) x 24) x 25) x 26) x 27)
29)	Commissions (% of gross premium)	10.00%	10.00%		
30)	Administration (% of gross premium)	10.00%	10.00%		
31)	Premium Tax and Fees (% of gross premium)	2.50%	2.50%		
32)	Profit and Margin (% of gross premium)	10.00%	10.00%		
33)	Total Retention (% of gross premium)	32.50%	32.50%		29) + 30) + 31) + 32)
34)	Final Gross Monthly Premium Rate	\$ -	\$ -		28) / [ 1 - 33) ]

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Area Assignments

Table I

State	ZIP	Name	Table
Arkansas			
	716	Pine	B
	717	Camden	B
	718	Texarkana,	B
	719	Hot Springs Nat'l Pk.	D
	720	Little Rock	C
	721	Little Rock	C
	722	Little Rock	C
	723	Memphis, TN	D
	724	Jonesboro	B
	725	Batesville	A
	726	Harrison	A
	727	Fayetteville	C
	728	Russellville	B
	729	Fort Smith	B

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Specific Stop Loss Base Rates

Table II

Specific Stop Loss Deductible	Incurred In 12 Months / Paid In 12 Months		Paid In 12 Months		Incurred In 12 Months / Paid In 15 Months	
	Employee	Composite Dependent	Employee	Composite Dependent	Employee	Composite Dependent
<b>AREA</b>	<b>A</b>					
20,000	\$115.32	\$226.72	\$138.95	\$273.15	\$138.95	\$273.15
25,000	\$99.55	\$196.77	\$119.94	\$237.08	\$119.94	\$237.08
30,000	\$86.47	\$169.67	\$104.18	\$204.42	\$104.18	\$204.42
40,000	\$68.59	\$139.47	\$82.63	\$168.03	\$82.63	\$168.03
50,000	\$56.85	\$116.95	\$68.50	\$140.90	\$68.50	\$140.90
60,000	\$49.89	\$103.98	\$60.11	\$125.27	\$60.11	\$125.27
75,000	\$40.72	\$86.86	\$49.06	\$104.66	\$49.06	\$104.66
100,000	\$31.00	\$69.51	\$37.35	\$83.75	\$37.35	\$83.75
125,000	\$24.87	\$58.38	\$29.97	\$70.33	\$29.97	\$70.33
150,000	\$20.22	\$48.78	\$24.36	\$58.77	\$24.36	\$58.77
200,000	\$14.51	\$37.16	\$17.49	\$44.77	\$17.49	\$44.77
250,000	\$10.62	\$28.62	\$12.79	\$34.48	\$12.79	\$34.48
300,000	\$8.18	\$23.00	\$9.85	\$27.71	\$9.85	\$27.71
400,000	\$4.80	\$14.85	\$5.79	\$17.89	\$5.79	\$17.89
500,000	\$2.98	\$9.83	\$3.60	\$11.84	\$3.60	\$11.84

<b>AREA</b>	<b>B</b>					
20,000	\$127.81	\$251.26	\$153.99	\$302.72	\$153.99	\$302.72
25,000	\$110.33	\$218.08	\$132.93	\$262.74	\$132.93	\$262.74
30,000	\$97.22	\$190.75	\$117.13	\$229.82	\$117.13	\$229.82
40,000	\$77.23	\$157.05	\$93.05	\$189.22	\$93.05	\$189.22
50,000	\$64.13	\$131.91	\$77.26	\$158.93	\$77.26	\$158.93
60,000	\$56.27	\$117.28	\$67.80	\$141.30	\$67.80	\$141.30
75,000	\$46.01	\$98.15	\$55.43	\$118.25	\$55.43	\$118.25
100,000	\$35.09	\$78.68	\$42.28	\$94.79	\$42.28	\$94.79
125,000	\$28.15	\$66.08	\$33.92	\$79.61	\$33.92	\$79.61
150,000	\$23.24	\$56.07	\$28.00	\$67.56	\$28.00	\$67.56
200,000	\$16.46	\$42.14	\$19.83	\$50.77	\$19.83	\$50.77
250,000	\$12.23	\$32.96	\$14.74	\$39.72	\$14.74	\$39.72
300,000	\$9.29	\$26.13	\$11.19	\$31.48	\$11.19	\$31.48
400,000	\$5.56	\$17.18	\$6.70	\$20.69	\$6.70	\$20.69
500,000	\$3.46	\$11.39	\$4.17	\$13.73	\$4.17	\$13.73

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Specific Stop Loss Base Rates

Table II

Specific Stop Loss Deductible	Incurred In 12 Months / Paid In 12 Months		Paid In 12 Months		Incurred In 12 Months / Paid In 15 Months	
	Employee	Composite Dependent	Employee	Composite Dependent	Employee	Composite Dependent
<b>AREA C</b>						
20,000	\$138.65	\$272.58	\$167.05	\$328.41	\$167.05	\$328.41
25,000	\$119.69	\$236.58	\$144.20	\$285.03	\$144.20	\$285.03
30,000	\$105.46	\$206.94	\$127.06	\$249.32	\$127.06	\$249.32
40,000	\$83.87	\$170.55	\$101.05	\$205.48	\$101.05	\$205.48
50,000	\$69.71	\$143.40	\$83.99	\$172.77	\$83.99	\$172.77
60,000	\$61.17	\$127.49	\$73.70	\$153.61	\$73.70	\$153.61
75,000	\$50.68	\$108.12	\$61.06	\$130.27	\$61.06	\$130.27
100,000	\$38.70	\$86.78	\$46.63	\$104.55	\$46.63	\$104.55
125,000	\$31.05	\$72.88	\$37.41	\$87.81	\$37.41	\$87.81
150,000	\$25.63	\$61.85	\$30.88	\$74.52	\$30.88	\$74.52
200,000	\$18.17	\$46.54	\$21.90	\$56.07	\$21.90	\$56.07
250,000	\$13.51	\$36.41	\$16.28	\$43.86	\$16.28	\$43.86
300,000	\$10.27	\$28.89	\$12.37	\$34.81	\$12.37	\$34.81
400,000	\$6.16	\$19.02	\$7.42	\$22.91	\$7.42	\$22.91
500,000	\$3.84	\$12.63	\$4.62	\$15.22	\$4.62	\$15.22

<b>AREA D</b>						
20,000	\$149.82	\$294.54	\$180.51	\$354.86	\$180.51	\$354.86
25,000	\$129.33	\$255.64	\$155.82	\$308.00	\$155.82	\$308.00
30,000	\$113.96	\$223.61	\$137.30	\$269.41	\$137.30	\$269.41
40,000	\$90.71	\$184.46	\$109.29	\$222.24	\$109.29	\$222.24
50,000	\$76.31	\$156.97	\$91.94	\$189.12	\$91.94	\$189.12
60,000	\$66.96	\$139.56	\$80.68	\$168.15	\$80.68	\$168.15
75,000	\$55.48	\$118.36	\$66.84	\$142.60	\$66.84	\$142.60
100,000	\$42.41	\$95.09	\$51.10	\$114.57	\$51.10	\$114.57
125,000	\$34.03	\$79.87	\$41.00	\$96.22	\$41.00	\$96.22
150,000	\$28.09	\$67.77	\$33.84	\$81.66	\$33.84	\$81.66
200,000	\$20.16	\$51.63	\$24.29	\$62.20	\$24.29	\$62.20
250,000	\$14.82	\$39.94	\$17.85	\$48.12	\$17.85	\$48.12
300,000	\$11.41	\$32.09	\$13.75	\$38.67	\$13.75	\$38.67
400,000	\$6.92	\$21.40	\$8.34	\$25.78	\$8.34	\$25.78
500,000	\$4.32	\$14.23	\$5.21	\$17.15	\$5.21	\$17.15

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Out-Of-Pocket Adjustments

Table III

Out-of-Pocket Maximum	AREA A					
	Deductible					
	<25K	25K-49K	50K-99K	100K-149K	150K-199K	200K+
\$1,200	1.000	1.000	1.000	1.000	1.000	1.000
\$500	1.028	1.016	1.009	1.006	1.005	1.004
\$750	1.018	1.010	1.006	1.004	1.003	1.002
\$1,000	1.008	1.005	1.003	1.002	1.001	1.001
\$1,250	0.998	0.999	0.999	1.000	1.000	1.000
\$1,500	0.991	0.994	0.997	0.997	0.998	0.999
\$2,000	0.976	0.985	0.991	0.993	0.995	0.996
\$2,500	0.961	0.975	0.985	0.989	0.991	0.994
\$3,000	0.945	0.966	0.980	0.984	0.988	0.991
\$3,500	0.930	0.956	0.974	0.980	0.985	0.989
\$4,000	0.917	0.947	0.969	0.975	0.981	0.987
\$4,500	0.905	0.937	0.963	0.971	0.978	0.984
\$5,000	0.893	0.928	0.958	0.967	0.975	0.982
\$6,000	0.868	0.909	0.946	0.958	0.968	0.977
\$7,000	0.845	0.893	0.936	0.950	0.962	0.972
\$8,000	0.822	0.878	0.925	0.941	0.955	0.967
\$9,000	0.800	0.862	0.915	0.933	0.949	0.963
\$10,000	0.777	0.847	0.904	0.925	0.943	0.958

Out-of-Pocket Maximum	AREA B					
	Deductible					
	<25K	25K-49K	50K-99K	100K-149K	150K-199K	200K+
\$1,200	1.000	1.000	1.000	1.000	1.000	1.000
\$500	1.028	1.016	1.009	1.006	1.005	1.004
\$750	1.018	1.010	1.006	1.004	1.003	1.003
\$1,000	1.008	1.005	1.002	1.002	1.001	1.001
\$1,250	0.998	0.999	0.999	1.000	1.000	1.000
\$1,500	0.991	0.994	0.997	0.998	0.998	0.999
\$2,000	0.976	0.985	0.991	0.993	0.994	0.996
\$2,500	0.961	0.976	0.986	0.989	0.991	0.994
\$3,000	0.945	0.966	0.980	0.985	0.988	0.992
\$3,500	0.930	0.957	0.974	0.981	0.984	0.989
\$4,000	0.917	0.947	0.969	0.977	0.981	0.987
\$4,500	0.905	0.938	0.963	0.973	0.977	0.985
\$5,000	0.893	0.929	0.958	0.969	0.974	0.982
\$6,000	0.868	0.910	0.947	0.961	0.967	0.978
\$7,000	0.847	0.894	0.936	0.953	0.960	0.973
\$8,000	0.826	0.879	0.926	0.945	0.954	0.968
\$9,000	0.806	0.864	0.915	0.938	0.947	0.964
\$10,000	0.785	0.848	0.905	0.930	0.940	0.959

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Out-Of-Pocket Adjustments

Table III

Out-of-Pocket Maximum	AREA C					
	Deductible					
	<25K	25K-49K	50K-99K	100K-149K	150K-199K	200K+
\$1,200	1.000	1.000	1.000	1.000	1.000	1.000
\$500	1.028	1.016	1.008	1.006	1.005	1.004
\$750	1.018	1.010	1.005	1.004	1.003	1.003
\$1,000	1.008	1.005	1.002	1.002	1.001	1.001
\$1,250	0.998	0.999	0.999	1.000	1.000	1.000
\$1,500	0.991	0.994	0.997	0.998	0.998	0.999
\$2,000	0.976	0.985	0.991	0.993	0.995	0.996
\$2,500	0.961	0.976	0.986	0.989	0.991	0.994
\$3,000	0.945	0.966	0.980	0.985	0.988	0.992
\$3,500	0.930	0.957	0.975	0.981	0.984	0.989
\$4,000	0.917	0.948	0.969	0.977	0.981	0.987
\$4,500	0.905	0.938	0.963	0.973	0.977	0.985
\$5,000	0.893	0.929	0.958	0.969	0.974	0.982
\$6,000	0.868	0.910	0.947	0.961	0.967	0.978
\$7,000	0.847	0.894	0.936	0.953	0.960	0.973
\$8,000	0.826	0.879	0.926	0.945	0.954	0.968
\$9,000	0.806	0.864	0.916	0.938	0.947	0.964
\$10,000	0.785	0.849	0.905	0.930	0.941	0.959

Out-of-Pocket Maximum	AREA D					
	Deductible					
	<25K	25K-49K	50K-99K	100K-149K	150K-199K	200K+
\$1,200	1.000	1.000	1.000	1.000	1.000	1.000
\$500	1.028	1.016	1.008	1.006	1.005	1.004
\$750	1.018	1.010	1.005	1.004	1.003	1.002
\$1,000	1.008	1.005	1.002	1.002	1.001	1.001
\$1,250	0.998	0.999	0.999	1.000	1.000	1.000
\$1,500	0.991	0.995	0.997	0.998	0.998	0.999
\$2,000	0.976	0.986	0.991	0.993	0.995	0.996
\$2,500	0.961	0.977	0.986	0.989	0.991	0.994
\$3,000	0.945	0.968	0.980	0.985	0.988	0.992
\$3,500	0.930	0.960	0.975	0.981	0.985	0.989
\$4,000	0.917	0.951	0.969	0.977	0.981	0.987
\$4,500	0.905	0.942	0.964	0.973	0.978	0.985
\$5,000	0.893	0.933	0.958	0.969	0.975	0.983
\$6,000	0.868	0.916	0.947	0.961	0.968	0.978
\$7,000	0.847	0.901	0.937	0.953	0.962	0.973
\$8,000	0.826	0.887	0.926	0.945	0.955	0.969
\$9,000	0.806	0.872	0.916	0.938	0.949	0.964
\$10,000	0.785	0.858	0.906	0.930	0.943	0.960

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology Run-Out Adjustment for Incurred in 12 Months Contracts

Table IV

Months in Run-Out Period	Percentage of Incurred in 12 Months Base Rate
1	0.93
2	0.98
3	1.00
6	1.03
12	1.04
24	1.04

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Run-In Adjustment for Paid in 12 Months Contracts

Table V

Months in Run-In Period	Percentage of Paid in 12 Months Base Rate
1	0.93
2	0.98
3	1.00
6	1.03
12	1.04



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Plan Maximum Adjustments

Table VI

Added to Base Rate

Plan Maximum	% of \$500K Deductible Rate
1,250,000	16.7%
1,500,000	25%
2,000,000	34%
2,500,000	38%
3,000,000	40%
4,000,000	41.3%
5,000,000	42%
100,000,000	44%

**Berkley Life and Health Insurance Company**  
Arkansas Specific Stop Loss Pricing Methodology  
Case Management Adjustments  
Table VII

Load to base rates for no Case Management

Deductible	Load		
<= \$100,000	5.0%	X	\$100,000 base rate

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology Mental Health Inpatient Day Limit and Coinsurance Adjustments

Table VIII

Multiply the factor below times the base rate for the dollar adjustment

Specific Stop Loss Deductible	Inpatient Confinement Day Limit					Same as any Other Benefit
	20 Days	30 Days	40 Days	50 Days	60 Days	
50% Coinsurance						
20,000	-1.70%	-1.50%	-1.30%	-1.20%	-1.20%	-1.10%
25,000	-1.90%	-1.70%	-1.50%	-1.40%	-1.30%	-1.20%
30,000	-2.10%	-1.80%	-1.60%	-1.50%	-1.40%	-1.30%
40,000	-1.70%	-1.50%	-1.20%	-1.10%	-1.00%	-0.90%
50,000	-1.00%	-0.90%	-0.70%	-0.60%	-0.50%	-0.30%
60,000	-0.70%	-0.70%	-0.70%	-0.60%	-0.50%	-0.30%
75,000	-0.20%	-0.20%	-0.20%	-0.20%	-0.10%	0.10%
100,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>60% Coinsurance</b>						
20,000	-1.40%	-1.20%	-1.00%	-0.90%	-0.80%	-0.70%
25,000	-1.60%	-1.30%	-1.10%	-1.00%	-0.90%	-0.80%
30,000	-1.80%	-1.50%	-1.20%	-1.10%	-1.00%	-0.90%
40,000	-1.60%	-1.30%	-0.90%	-0.80%	-0.70%	-0.60%
50,000	-1.00%	-0.80%	-0.40%	-0.30%	-0.20%	0.00%
60,000	-0.70%	-0.70%	-0.50%	-0.30%	-0.20%	0.00%
75,000	-0.20%	-0.20%	-0.20%	-0.10%	0.00%	0.30%
100,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>70% Coinsurance</b>						
20,000	-1.20%	-0.90%	-0.60%	-0.50%	-0.50%	-0.30%
25,000	-1.30%	-1.00%	-0.70%	-0.60%	-0.50%	-0.40%
30,000	-1.50%	-1.10%	-0.80%	-0.70%	-0.60%	-0.40%
40,000	-1.50%	-1.10%	-0.70%	-0.60%	-0.50%	-0.30%
50,000	-1.00%	-0.60%	-0.10%	0.00%	0.10%	0.40%
60,000	-0.70%	-0.70%	-0.20%	0.00%	0.10%	0.40%
75,000	-0.20%	-0.20%	-0.10%	0.00%	0.20%	0.50%
100,000	0.00%	0.00%	0.00%	0.00%	0.10%	0.50%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology Mental Health Inpatient Day Limit and Coinsurance Adjustments

Table VIII

Multiply the factor below times the base rate for the dollar adjustment

Specific Stop Loss Deductible	Inpatient Confinement Day Limit					Same as any Other Benefit
	20 Days	30 Days	40 Days	50 Days	60 Days	

80% Coinsurance						
20,000	-0.90%	-0.60%	-0.30%	-0.20%	-0.10%	0.10%
25,000	-1.00%	-0.70%	-0.30%	-0.20%	-0.10%	0.10%
30,000	-1.10%	-0.70%	-0.40%	-0.20%	-0.10%	0.10%
40,000	-1.30%	-0.90%	-0.40%	-0.20%	-0.10%	0.10%
50,000	-0.90%	-0.40%	0.10%	0.30%	0.40%	0.70%
60,000	-0.70%	-0.50%	0.20%	0.30%	0.50%	0.80%
75,000	-0.20%	-0.20%	0.20%	0.40%	0.50%	0.90%
100,000	0.00%	0.00%	0.00%	0.00%	0.20%	0.70%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%

90% Coinsurance						
20,000	-0.70%	-0.30%	0.10%	0.20%	0.20%	0.40%
25,000	-0.70%	-0.30%	0.10%	0.20%	0.30%	0.50%
30,000	-0.80%	-0.40%	0.10%	0.20%	0.30%	0.50%
40,000	-1.00%	-0.40%	0.10%	0.30%	0.40%	0.70%
50,000	-0.80%	-0.20%	0.40%	0.60%	0.70%	1.10%
60,000	-0.70%	-0.20%	0.50%	0.70%	0.80%	1.20%
75,000	-0.20%	-0.20%	0.50%	0.80%	1.00%	1.40%
100,000	0.00%	0.00%	0.00%	0.20%	0.40%	0.90%
125,000	0.00%	0.00%	0.00%	0.00%	0.10%	0.70%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%

100% Coinsurance						
20,000	-0.40%	0.00%	0.40%	0.50%	0.60%	0.80%
25,000	-0.40%	0.00%	0.40%	0.60%	0.70%	0.90%
30,000	-0.50%	0.00%	0.50%	0.70%	0.80%	1.00%
40,000	-0.60%	0.00%	0.60%	0.80%	0.90%	1.20%
50,000	-0.70%	0.00%	0.70%	0.90%	1.00%	1.40%
60,000	-0.70%	0.00%	0.80%	1.00%	1.20%	1.60%
75,000	-0.20%	0.00%	0.90%	1.20%	1.40%	1.80%
100,000	0.00%	0.00%	0.10%	0.40%	0.60%	1.20%
125,000	0.00%	0.00%	0.00%	0.00%	0.30%	1.00%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.80%

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Substance Abuse Adjustments

Table IX

Multiply the factor below times the base rate for the dollar adjustment

Specific Stop Loss Deductible	Inpatient Confinement Day Limit					Same as any Other Benefit
	20 Days	30 Days	40 Days	50 Days	60 Days	
50% Coinsurance						
20,000	-0.70%	-0.60%	-0.50%	-0.50%	-0.50%	-0.40%
25,000	-0.80%	-0.70%	-0.60%	-0.60%	-0.50%	-0.50%
30,000	-0.80%	-0.70%	-0.60%	-0.60%	-0.60%	-0.50%
40,000	-0.70%	-0.60%	-0.50%	-0.40%	-0.40%	-0.40%
50,000	-0.40%	-0.40%	-0.30%	-0.20%	-0.20%	-0.10%
60,000	-0.30%	-0.30%	-0.30%	-0.20%	-0.20%	-0.10%
75,000	-0.10%	-0.10%	-0.10%	-0.10%	0.00%	0.00%
100,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>60% Coinsurance</b>						
20,000	-0.60%	-0.50%	-0.40%	-0.40%	-0.30%	-0.30%
25,000	-0.60%	-0.50%	-0.40%	-0.40%	-0.40%	-0.30%
30,000	-0.70%	-0.60%	-0.50%	-0.40%	-0.40%	-0.40%
40,000	-0.60%	-0.50%	-0.40%	-0.30%	-0.30%	-0.20%
50,000	-0.40%	-0.30%	-0.20%	-0.10%	-0.10%	0.00%
60,000	-0.30%	-0.30%	-0.20%	-0.10%	-0.10%	0.00%
75,000	-0.10%	-0.10%	-0.10%	0.00%	0.00%	0.10%
100,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Substance Abuse Adjustments

Table IX

Multiply the factor below times the base rate for the dollar adjustment

Specific Stop Loss Deductible	Inpatient Confinement Day Limit					Same as any Other Benefit
	20 Days	30 Days	40 Days	50 Days	60 Days	
70% Coinsurance						
20,000	-0.50%	-0.40%	-0.20%	-0.20%	-0.20%	-0.10%
25,000	-0.50%	-0.40%	-0.30%	-0.20%	-0.20%	-0.20%
30,000	-0.60%	-0.40%	-0.30%	-0.30%	-0.20%	-0.20%
40,000	-0.60%	-0.40%	-0.30%	-0.20%	-0.20%	-0.10%
50,000	-0.40%	-0.20%	0.00%	0.00%	0.00%	0.20%
60,000	-0.30%	-0.30%	-0.10%	0.00%	0.00%	0.20%
75,000	-0.10%	-0.10%	0.00%	0.00%	0.10%	0.20%
100,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>80% Coinsurance</b>						
20,000	-0.40%	-0.20%	-0.10%	-0.10%	0.00%	0.00%
25,000	-0.40%	-0.30%	-0.10%	-0.10%	0.00%	0.00%
30,000	-0.40%	-0.30%	-0.20%	-0.10%	0.00%	0.00%
40,000	-0.50%	-0.40%	-0.20%	-0.10%	0.00%	0.00%
50,000	-0.40%	-0.20%	0.00%	0.10%	0.20%	0.30%
60,000	-0.30%	-0.20%	0.10%	0.10%	0.20%	0.30%
75,000	-0.10%	-0.10%	0.10%	0.20%	0.20%	0.40%
100,000	0.00%	0.00%	0.00%	0.00%	0.10%	0.30%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Substance Abuse Adjustments

Table IX

Multiply the factor below times the base rate for the dollar adjustment

Specific Stop Loss Deductible	Inpatient Confinement Day Limit					Same as any Other Benefit
	20 Days	30 Days	40 Days	50 Days	60 Days	
90% Coinsurance						
20,000	-0.30%	-0.10%	0.00%	0.10%	0.10%	0.20%
25,000	-0.30%	-0.10%	0.00%	0.10%	0.10%	0.20%
30,000	-0.30%	-0.20%	0.00%	0.10%	0.10%	0.20%
40,000	-0.40%	-0.20%	0.00%	0.10%	0.20%	0.30%
50,000	-0.30%	-0.10%	0.20%	0.20%	0.30%	0.40%
60,000	-0.30%	-0.10%	0.20%	0.30%	0.30%	0.50%
75,000	-0.10%	-0.10%	0.20%	0.30%	0.40%	0.60%
100,000	0.00%	0.00%	0.00%	0.10%	0.20%	0.40%
125,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%

<b>100% Coinsurance</b>						
20,000	-0.20%	0.00%	0.20%	0.20%	0.20%	0.30%
25,000	-0.20%	0.00%	0.20%	0.20%	0.30%	0.40%
30,000	-0.20%	0.00%	0.20%	0.30%	0.30%	0.40%
40,000	-0.20%	0.00%	0.20%	0.30%	0.40%	0.50%
50,000	-0.30%	0.00%	0.30%	0.40%	0.40%	0.60%
60,000	-0.30%	0.00%	0.30%	0.40%	0.50%	0.60%
75,000	-0.10%	0.00%	0.40%	0.50%	0.60%	0.70%
100,000	0.00%	0.00%	0.00%	0.20%	0.20%	0.50%
125,000	0.00%	0.00%	0.00%	0.00%	0.10%	0.40%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Exclusion of Organ Transplant Benefit Adjustments

Table X

Specific Stop Loss Deductible	Incurred in 12 Months / Paid in 12 Months		Paid in 12 Months		Incurred in 12 Months / Paid in 15 Months	
	Employee	Composite Dependent	Employee	Composite Dependent	Employee	Composite Dependent
<b>AREA A</b>						
20,000	(2.81)	(5.31)	(3.39)	(6.40)	(3.39)	(6.40)
25,000	(2.80)	(5.30)	(3.38)	(6.39)	(3.38)	(6.39)
30,000	(2.79)	(5.29)	(3.37)	(6.38)	(3.37)	(6.38)
40,000	(2.78)	(5.28)	(3.36)	(6.37)	(3.36)	(6.37)
50,000	(2.67)	(5.27)	(3.22)	(6.36)	(3.22)	(6.36)
60,000	(2.46)	(5.14)	(2.97)	(6.19)	(2.97)	(6.19)
75,000	(2.11)	(4.51)	(2.55)	(5.43)	(2.55)	(5.43)
100,000	(1.74)	(3.90)	(2.09)	(4.69)	(2.09)	(4.69)
125,000	(1.50)	(3.52)	(1.80)	(4.24)	(1.80)	(4.24)
150,000	(1.30)	(3.14)	(1.57)	(3.78)	(1.57)	(3.78)
200,000	(1.06)	(2.70)	(1.27)	(3.26)	(1.27)	(3.26)
250,000	(0.72)	(1.95)	(0.87)	(2.35)	(0.87)	(2.35)
300,000	(0.52)	(1.47)	(0.63)	(1.77)	(0.63)	(1.77)
400,000	(0.26)	(0.81)	(0.32)	(0.98)	(0.32)	(0.98)
500,000	(0.14)	(0.45)	(0.16)	(0.54)	(0.16)	(0.54)

<b>AREA B</b>						
20,000	(3.06)	(5.78)	(3.69)	(6.96)	(3.69)	(6.96)
25,000	(3.05)	(5.77)	(3.68)	(6.95)	(3.68)	(6.95)
30,000	(3.04)	(5.76)	(3.67)	(6.94)	(3.67)	(6.94)
40,000	(3.03)	(5.75)	(3.66)	(6.93)	(3.66)	(6.93)
50,000	(2.87)	(5.74)	(3.46)	(6.92)	(3.46)	(6.92)
60,000	(2.68)	(5.59)	(3.23)	(6.74)	(3.23)	(6.74)
75,000	(2.35)	(5.01)	(2.83)	(6.03)	(2.83)	(6.03)
100,000	(1.97)	(4.41)	(2.37)	(5.31)	(2.37)	(5.31)
125,000	(1.70)	(3.98)	(2.04)	(4.79)	(2.04)	(4.79)
150,000	(1.50)	(3.61)	(1.80)	(4.35)	(1.80)	(4.35)
200,000	(1.20)	(3.06)	(1.44)	(3.69)	(1.44)	(3.69)
250,000	(0.83)	(2.25)	(1.01)	(2.71)	(1.01)	(2.71)
300,000	(0.59)	(1.67)	(0.71)	(2.01)	(0.71)	(2.01)
400,000	(0.30)	(0.94)	(0.37)	(1.13)	(0.37)	(1.13)
500,000	(0.16)	(0.52)	(0.19)	(0.63)	(0.19)	(0.63)



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Exclusion of Organ Transplant Benefit Adjustments

Table X

Specific Stop Loss Deductible	Incurred in 12 Months / Paid in 12 Months		Paid in 12 Months		Incurred in 12 Months / Paid in 15 Months	
	Employee	Composite Dependent	Employee	Composite Dependent	Employee	Composite Dependent
<b>AREA C</b>						
20,000	(3.27)	(6.17)	(3.94)	(7.44)	(3.94)	(7.44)
25,000	(3.26)	(6.16)	(3.93)	(7.43)	(3.93)	(7.43)
30,000	(3.25)	(6.15)	(3.92)	(7.42)	(3.92)	(7.42)
40,000	(3.15)	(6.14)	(3.80)	(7.41)	(3.80)	(7.41)
50,000	(2.97)	(6.11)	(3.58)	(7.36)	(3.58)	(7.36)
60,000	(2.81)	(5.86)	(3.39)	(7.07)	(3.39)	(7.07)
75,000	(2.54)	(5.42)	(3.06)	(6.53)	(3.06)	(6.53)
100,000	(2.17)	(4.86)	(2.61)	(5.86)	(2.61)	(5.86)
125,000	(1.87)	(4.39)	(2.25)	(5.29)	(2.25)	(5.29)
150,000	(1.65)	(3.98)	(1.99)	(4.80)	(1.99)	(4.80)
200,000	(1.32)	(3.38)	(1.59)	(4.08)	(1.59)	(4.08)
250,000	(0.92)	(2.48)	(1.11)	(2.99)	(1.11)	(2.99)
300,000	(0.65)	(1.84)	(0.79)	(2.22)	(0.79)	(2.22)
400,000	(0.34)	(1.04)	(0.41)	(1.26)	(0.41)	(1.26)
500,000	(0.18)	(0.58)	(0.21)	(0.70)	(0.21)	(0.70)

<b>AREA D</b>						
20,000	(3.49)	(6.58)	(4.21)	(7.94)	(4.21)	(7.94)
25,000	(3.48)	(6.57)	(4.20)	(7.93)	(4.20)	(7.93)
30,000	(3.47)	(6.56)	(4.19)	(7.92)	(4.19)	(7.92)
40,000	(3.24)	(6.55)	(3.91)	(7.91)	(3.91)	(7.91)
50,000	(3.08)	(6.34)	(3.71)	(7.63)	(3.71)	(7.63)
60,000	(2.97)	(6.18)	(3.57)	(7.45)	(3.57)	(7.45)
75,000	(2.73)	(5.83)	(3.29)	(7.03)	(3.29)	(7.03)
100,000	(2.38)	(5.33)	(2.86)	(6.42)	(2.86)	(6.42)
125,000	(2.05)	(4.81)	(2.47)	(5.79)	(2.47)	(5.79)
150,000	(1.81)	(4.36)	(2.18)	(5.26)	(2.18)	(5.26)
200,000	(1.47)	(3.75)	(1.77)	(4.52)	(1.77)	(4.52)
250,000	(1.01)	(2.73)	(1.22)	(3.28)	(1.22)	(3.28)
300,000	(0.73)	(2.05)	(0.88)	(2.47)	(0.88)	(2.47)
400,000	(0.38)	(1.17)	(0.46)	(1.41)	(0.46)	(1.41)
500,000	(0.20)	(0.65)	(0.24)	(0.79)	(0.24)	(0.79)

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Exclusion of Prescription Drugs Benefit Adjustments

Table XI

Specific Stop Loss Deductible	Incurred in 12 Months / Paid in 12 Months		Paid in 12 Months and Incurred in 12 Months / Paid in 15 months	
	Employee	Composite Dependent	Employee	Composite Dependent
<b>AREA A</b>				
20,000	(9.21)	(18.10)	(11.09)	(21.81)
25,000	(6.13)	(12.12)	(7.39)	(14.61)
30,000	(5.24)	(10.28)	(6.31)	(12.38)
40,000	(4.05)	(8.23)	(4.87)	(9.91)
50,000	(3.20)	(6.59)	(3.86)	(7.94)
60,000	(2.75)	(5.72)	(3.31)	(6.89)
75,000	(2.16)	(4.61)	(2.60)	(5.55)
100,000	(1.54)	(3.45)	(1.86)	(4.16)
125,000	(1.19)	(2.80)	(1.44)	(3.37)
150,000	(0.94)	(2.26)	(1.13)	(2.72)
200,000	(0.62)	(1.59)	(0.75)	(1.92)
250,000	(0.44)	(1.18)	(0.53)	(1.42)
300,000	(0.32)	(0.91)	(0.39)	(1.10)
400,000	(0.17)	(0.54)	(0.21)	(0.65)
500,000	(0.10)	(0.33)	(0.12)	(0.39)

<b>AREA B</b>				
20,000	(10.20)	(20.06)	(12.29)	(24.17)
25,000	(6.80)	(13.44)	(8.19)	(16.19)
30,000	(5.89)	(11.55)	(7.09)	(13.92)
40,000	(4.56)	(9.26)	(5.49)	(11.16)
50,000	(3.61)	(7.44)	(4.35)	(8.96)
60,000	(3.10)	(6.45)	(3.73)	(7.78)
75,000	(2.44)	(5.20)	(2.94)	(6.27)
100,000	(1.74)	(3.91)	(2.10)	(4.71)
125,000	(1.35)	(3.17)	(1.63)	(3.82)
150,000	(1.08)	(2.60)	(1.30)	(3.13)
200,000	(0.71)	(1.81)	(0.85)	(2.18)
250,000	(0.50)	(1.36)	(0.61)	(1.64)
300,000	(0.37)	(1.04)	(0.44)	(1.25)
400,000	(0.20)	(0.62)	(0.24)	(0.75)
500,000	(0.11)	(0.38)	(0.14)	(0.45)

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Exclusion of Prescription Drugs Benefit Adjustments

Table XI

Specific Stop Loss Deductible	Incurred in 12 Months / Paid in 12 Months		Paid in 12 Months and Incurred in 12 Months / Paid in 15 months	
	Employee	Composite Dependent	Employee	Composite Dependent
<b>AREA C</b>				
20,000	(11.07)	(21.76)	(13.34)	(26.22)
25,000	(7.37)	(14.58)	(8.89)	(17.56)
30,000	(6.39)	(12.53)	(7.70)	(15.10)
40,000	(4.95)	(10.06)	(5.96)	(12.12)
50,000	(3.93)	(8.08)	(4.73)	(9.74)
60,000	(3.37)	(7.02)	(4.06)	(8.45)
75,000	(2.69)	(5.73)	(3.24)	(6.91)
100,000	(1.92)	(4.31)	(2.32)	(5.19)
125,000	(1.49)	(3.50)	(1.80)	(4.21)
150,000	(1.19)	(2.86)	(1.43)	(3.45)
200,000	(0.78)	(2.00)	(0.94)	(2.40)
250,000	(0.56)	(1.50)	(0.67)	(1.81)
300,000	(0.41)	(1.14)	(0.49)	(1.38)
400,000	(0.22)	(0.69)	(0.27)	(0.83)
500,000	(0.13)	(0.42)	(0.15)	(0.50)

<b>AREA D</b>				
20,000	(11.96)	(23.51)	(14.41)	(28.33)
25,000	(7.97)	(15.75)	(9.60)	(18.98)
30,000	(6.90)	(13.54)	(8.32)	(16.32)
40,000	(5.35)	(10.88)	(6.45)	(13.11)
50,000	(4.30)	(8.85)	(5.18)	(10.66)
60,000	(3.68)	(7.68)	(4.44)	(9.25)
75,000	(2.94)	(6.28)	(3.54)	(7.56)
100,000	(2.11)	(4.72)	(2.54)	(5.69)
125,000	(1.63)	(3.83)	(1.97)	(4.62)
150,000	(1.30)	(3.14)	(1.57)	(3.78)
200,000	(0.86)	(2.21)	(1.04)	(2.67)
250,000	(0.61)	(1.65)	(0.74)	(1.99)
300,000	(0.45)	(1.27)	(0.54)	(1.53)
400,000	(0.25)	(0.78)	(0.30)	(0.94)
500,000	(0.14)	(0.47)	(0.17)	(0.57)

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Infertility Benefit Adjustment

Table XII

Deductible	Area			
	A	B	C	D
20,000	0.04	0.07	0.12	0.18
25,000	-	0.01	0.03	0.05
30,000	-	-	-	-
40,000	-	-	-	-
50,000	-	-	-	-
60,000	-	-	-	-
75,000	-	-	-	-
100,000	-	-	-	-
125,000	-	-	-	-
150,000	-	-	-	-
200,000	-	-	-	-
250,000	-	-	-	-
300,000	-	-	-	-
400,000	-	-	-	-
500,000	-	-	-	-

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Family Deductible Adjustments

Table XIV

Factor applied to composite dependent base rate only

Deductible	1X	1.5X	2X	2.5X
20,000	1.50	1.27	1.03	1.02
25,000	1.50	1.27	1.03	1.02
30,000	1.45	1.24	1.02	1.01
40,000	1.45	1.24	1.02	1.01
50,000	1.40	1.21	1.01	1.01
60,000	1.40	1.21	1.01	1.01
75,000	1.35	1.18	1.01	1.01

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Utilization Management Adjustments

Table XV

Load to base rates for no: Pre-admission Certification and Continued Stay Review	1.100
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# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Industry Codes

#### Table XVI

	SIC Low Range	SIC High Range	Description	Factor
	111	191	Agriculture - Crops	1.050
	211	291	Agriculture - Livestock	1.050
	711	783	Agricultural Services	1.025
Except	741	742	Veterinary	1.000
	811	851	Forestry	1.050
	912	972	Fishing, Hunting	1.100
	1011	1241	Mining - Metal, Coal	1.175
	1311	1389	Oil & Gas Extraction	1.100
	1411	1499	Mining & Quarrying Except Metal & Fuels	1.150
	1521	1542	Building Construction	1.050
	1611	1629	Other Than Building Construction	1.050
	1711	1799	Construction - Special Trades	1.025
	2011	2017	Meat Products	1.050
	2018	2099	Food Products	1.000
	2111	2141	Tobacco Manufacturer	1.050
	2211	2299	Textile Mill Products	1.000
	2311	2399	Apparel & Other Textiles	1.000
	2411		Logging	1.075
	2421	2429	Sawmills	1.050
	2431	2499	Lumber & Wood Products (Except Furniture)	1.050
	2511	2599	Furniture & Fixtures	1.000
	2611		Pulp Mills	1.025
	2612	2679	Paper & Allied Products	1.000
	2711	2796	Printing & Publishing	1.000
	2812	2899	Chemicals & Allied Products	1.025
Except	2831	2836	Drugs	1.000
Except	2892		Explosives	1.125
	2911	2999	Petroleum Refining	1.025
	3011	3089	Rubber & Miscellaneous Plastic	1.000
	3111		Leather Tanning	1.100
	3112	3199	Leather & Leather Products	1.025
	3211	3299	Stone, Clay, & Glass Products	1.025
Except	3292		Asbestos Products	1.175
	3312	3399	Primary Metal Industries	1.050
	3411	3499	Fabricated Metal Products	1.000
	3511	3599	Machinery, Except Electrical	1.000
	3612	3699	Electrical Machinery & Equip	0.975
	3711	3799	Transportation Equip	1.000
	3812	3873	Instruments	0.975
	3911	3999	Miscellaneous Manufacturing	0.975
	4011	4013	Railroad Transportation	1.050
	4111	4173	Local Passenger Transportation	1.100
Except	4121		Taxicabs	1.150
	4212	4231	Trucking	1.100
	4311		US Postal Service	1.050
	4412	4499	Water Transportation	1.075
	4512	4581	Air Transportation	1.000
	4612	4619	Pipe Lines, Except Natural Gas	1.025
	4724	4789	Transportation Services	0.975
	4812	4899	Communication	0.950
	4911	4971	Electric, Gas & Sanitary System	1.025
Except	4952	4959	Sanitary Services	1.100
	5012	5099	Wholesale Trade - Durable Goods	1.000
Except	5093		Scrap & Waste	1.100
	5111	5199	Wholesale Trade - Non-durable Good	1.000
Except	5181	5182	Beer, Wine & Distilled Alcoholic Beverages	1.050
	5211	5499	Retail - Hardware, General, Food	1.000
	5511	5599	Automotive Dealers and Service Stations	1.075
Except	5541		Gasoline Service Stations	1.100
	5611	5736	Retail - Apparel, Furniture	1.000
	5812		Eating Places	1.100
	5813		Drinking Places	1.150
	5912	5999	Miscellaneous Retail	1.000
Except	5921		Liquor Stores	1.100
	6011	6099	Banking	0.950
	6111	6163	Credit Agencies Other Than Banks	0.950
	6211	6289	Security, Commodity Brokers	0.975
	6311	6399	Insurance Carriers	1.000
	6411		Insurance Agents/Brokers	1.000
	6512	6553	Real Estate	1.000
	6712	6799	Holding, Other Investment Companies	0.975
	7011	7041	Hotels/Other Lodging	1.075
	7211	7219	Laundry and Garment Services	1.050
	7221	7299	Other Personal Services	1.050
	7311	7389	Business Services	1.000
Except	7342	7349	Services to Buildings	1.050
Except	7371	7379	Computer Services	0.950
Except	7381		Detective Agencies	1.075
	7513	7519	Automotive Rental	1.000
	7521	7549	Automotive Services	1.050
	7622	7699	Miscellaneous Repair Services	1.000
	7812	7841	Motion Pictures	1.025
	7911	7999	Amusement & Recreation Except Movies	1.100
Except	7991		Physical Fitness Facility	1.075
	8011	8099	Health Services	1.125
	8111		Legal Services	1.075
	8211	8299	Educational Services	1.000
	8322	8399	Social Services	1.050
	8412	8422	Museums, Gardens & Zoos	1.000
	8611	8699	Nonprofit Membership Organization	1.050
	8711	8748	Services (Engineering, Architect, Accounting, Research)	0.950
	8811	8899	Miscellaneous Services	1.000
	9111	9199	General Government	1.075
	9211	9229	Justice and Public Safety	1.150
	9311	9721	Other Government	1.100

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology Age / Gender Adjustment Factors (worksheet)

Table XVII

### Stop Loss Deductibles Less Than \$25,000

#### Employees

Employee Gender												
Employee Age	Male		Male		Male		Female		Female		Female	
	Number		Factor		Product		Number		Factor		Product	
Under 30	<input type="text"/>	x	<input type="text" value="0.40"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.60"/>	=	<input type="text" value="-"/>	
30 - 34	<input type="text"/>	x	<input type="text" value="0.50"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.85"/>	=	<input type="text" value="-"/>	
35 - 39	<input type="text"/>	x	<input type="text" value="0.65"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>	
40 - 44	<input type="text"/>	x	<input type="text" value="0.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.15"/>	=	<input type="text" value="-"/>	
45 - 49	<input type="text"/>	x	<input type="text" value="1.15"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.45"/>	=	<input type="text" value="-"/>	
50 - 54	<input type="text"/>	x	<input type="text" value="1.70"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.80"/>	=	<input type="text" value="-"/>	
55 - 59	<input type="text"/>	x	<input type="text" value="2.45"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.15"/>	=	<input type="text" value="-"/>	
60 - 64	<input type="text"/>	x	<input type="text" value="3.35"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.80"/>	=	<input type="text" value="-"/>	
65 - 69	<input type="text"/>	x	<input type="text" value="3.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="3.20"/>	=	<input type="text" value="-"/>	
70 & over	<input type="text"/>	x	<input type="text" value="4.35"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="3.60"/>	=	<input type="text" value="-"/>	
1 Medicare Primary	<input type="text"/>	x	<input type="text" value="0.80"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.80"/>	=	<input type="text" value="-"/>	
	=====				=====		=====				=====	
Total	A =		<input type="text" value="-"/>		B =	<input type="text" value="-"/>	C =	<input type="text" value="-"/>		D =	<input type="text" value="-"/>	
Employee Age / Gender [ B + D ] / [ A + C ]						<input type="text"/>						

#### Composite Dependents

Gender of Employee with Dependents											
Employee Age	Male Number		Male Factor	=	Male Product		Female Number	Female Factor	=	Female Product	
Under 30	<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.75"/>	=	<input type="text" value="-"/>
30 - 34	<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.75"/>	=	<input type="text" value="-"/>
35 - 39	<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.75"/>	=	<input type="text" value="-"/>
40 - 44	<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.75"/>	=	<input type="text" value="-"/>
45 - 49	<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.90"/>	=	<input type="text" value="-"/>
50 - 54	<input type="text"/>	x	<input type="text" value="1.20"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.10"/>	=	<input type="text" value="-"/>
55 - 59	<input type="text"/>	x	<input type="text" value="1.40"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.50"/>	=	<input type="text" value="-"/>
60 - 64	<input type="text"/>	x	<input type="text" value="1.65"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.00"/>	=	<input type="text" value="-"/>
65 - 69	<input type="text"/>	x	<input type="text" value="1.90"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.30"/>	=	<input type="text" value="-"/>
70 & over	<input type="text"/>	x	<input type="text" value="2.15"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.60"/>	=	<input type="text" value="-"/>
1 Medicare Primary	<input type="text"/>	x	<input type="text" value="0.45"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.45"/>	=	<input type="text" value="-"/>
	=====				=====		=====				=====
Total	A =		<input type="text" value="-"/>		B =	<input type="text" value="-"/>	C =	<input type="text" value="-"/>		D =	<input type="text" value="-"/>
Composite Dependent Age / Gender Adjustment Factor =						[ B + D ] / [ A + C ]		<input type="text"/>			



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology Age / Gender Adjustment Factors (worksheet)

Table XVII

### Stop Loss Deductibles \$25,000 to \$99,000

#### Employees

Employee Gender											
Employee Age	Male Number		Male Factor		Male Product		Female Number		Female Factor		Female Product
Under 30	<input type="text"/>	x	<input type="text" value="0.45"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.45"/>	=	<input type="text" value="-"/>
30 - 34	<input type="text"/>	x	<input type="text" value="0.50"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.65"/>	=	<input type="text" value="-"/>
35 - 39	<input type="text"/>	x	<input type="text" value="0.65"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.75"/>	=	<input type="text" value="-"/>
40 - 44	<input type="text"/>	x	<input type="text" value="0.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>
45 - 49	<input type="text"/>	x	<input type="text" value="1.25"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.30"/>	=	<input type="text" value="-"/>
50 - 54	<input type="text"/>	x	<input type="text" value="1.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.70"/>	=	<input type="text" value="-"/>
55 - 59	<input type="text"/>	x	<input type="text" value="2.65"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.15"/>	=	<input type="text" value="-"/>
60 - 64	<input type="text"/>	x	<input type="text" value="3.75"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.85"/>	=	<input type="text" value="-"/>
65 - 69	<input type="text"/>	x	<input type="text" value="4.30"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="3.30"/>	=	<input type="text" value="-"/>
70 & over	<input type="text"/>	x	<input type="text" value="4.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="3.75"/>	=	<input type="text" value="-"/>
1 Medicare Primary	<input type="text"/>	x	<input type="text" value="0.80"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.80"/>	=	<input type="text" value="-"/>
	=====				=====		=====				=====
Total	A =			B =	<input type="text" value="-"/>	C =	<input type="text" value="-"/>			D =	<input type="text" value="-"/>
Employee Age / Gender [ B + D ] / [ A + C ]							<input type="text"/>				

#### Composite Dependents

Gender of Employee with Dependents											
Employee Age	Male Number		Male Factor	=	Male Product		Female Number		Female Factor	=	Female Product
Under 30	<input type="text"/>	x	<input type="text" value="1.05"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.95"/>	=	<input type="text" value="-"/>
30 - 34	<input type="text"/>	x	<input type="text" value="1.05"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.95"/>	=	<input type="text" value="-"/>
35 - 39	<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.90"/>	=	<input type="text" value="-"/>
40 - 44	<input type="text"/>	x	<input type="text" value="0.95"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.85"/>	=	<input type="text" value="-"/>
45 - 49	<input type="text"/>	x	<input type="text" value="0.90"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.90"/>	=	<input type="text" value="-"/>
50 - 54	<input type="text"/>	x	<input type="text" value="1.05"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.10"/>	=	<input type="text" value="-"/>
55 - 59	<input type="text"/>	x	<input type="text" value="1.30"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="1.55"/>	=	<input type="text" value="-"/>
60 - 64	<input type="text"/>	x	<input type="text" value="1.60"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.15"/>	=	<input type="text" value="-"/>
65 - 69	<input type="text"/>	x	<input type="text" value="1.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.45"/>	=	<input type="text" value="-"/>
70 & over	<input type="text"/>	x	<input type="text" value="2.10"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="2.75"/>	=	<input type="text" value="-"/>
1 Medicare Primary	<input type="text"/>	x	<input type="text" value="0.40"/>	=	<input type="text" value="-"/>		<input type="text"/>	x	<input type="text" value="0.40"/>	=	<input type="text" value="-"/>
	=====				=====		=====				=====
Total	A =			B =	<input type="text" value="-"/>	C =	<input type="text" value="-"/>			D =	<input type="text" value="-"/>
Composite Dependent Age / Gender Adjustment Factor =							<input type="text"/>				
							<input type="text"/>				

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology Age / Gender Adjustment Factors (worksheet)

Table XVII

### Stop Loss Deductibles \$99,000 and Over

#### Employees

Employee Gender									
Employee Age	Male Number		Male Factor	=	Male Product		Female Number	Female Factor	Female Product
Under 30	<input type="text"/>	x	<input type="text" value="0.65"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="0.45"/>	<input type="text" value="-"/>
30 - 34	<input type="text"/>	x	<input type="text" value="0.65"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="0.65"/>	<input type="text" value="-"/>
35 - 39	<input type="text"/>	x	<input type="text" value="0.75"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="0.75"/>	<input type="text" value="-"/>
40 - 44	<input type="text"/>	x	<input type="text" value="0.95"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="0.85"/>	<input type="text" value="-"/>
45 - 49	<input type="text"/>	x	<input type="text" value="1.30"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.15"/>	<input type="text" value="-"/>
50 - 54	<input type="text"/>	x	<input type="text" value="1.95"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.50"/>	<input type="text" value="-"/>
55 - 59	<input type="text"/>	x	<input type="text" value="2.65"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.95"/>	<input type="text" value="-"/>
60 - 64	<input type="text"/>	x	<input type="text" value="3.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="2.60"/>	<input type="text" value="-"/>
65 - 69	<input type="text"/>	x	<input type="text" value="4.45"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="3.00"/>	<input type="text" value="-"/>
70 & over	<input type="text"/>	x	<input type="text" value="5.05"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="3.40"/>	<input type="text" value="-"/>
1 Medicare Primary	<input type="text"/>	x	<input type="text" value="0.80"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="0.80"/>	<input type="text" value="-"/>
	=====				=====		=====		=====
Total	A = <input type="text" value="-"/>			B =	<input type="text" value="-"/>	C =	<input type="text" value="-"/>		D = <input type="text" value="-"/>
Employee Age / Gender [ B + D ] / [ A + C ]						<input type="text"/>			

#### Composite Dependents

Gender of Employee with Dependents									
Employee Age	Male Number		Male Factor	=	Male Product		Female Number	Female Factor	Female Product
Under 30	<input type="text"/>	x	<input type="text" value="1.30"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.20"/>	<input type="text" value="-"/>
30 - 34	<input type="text"/>	x	<input type="text" value="1.30"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.20"/>	<input type="text" value="-"/>
35 - 39	<input type="text"/>	x	<input type="text" value="1.10"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.05"/>	<input type="text" value="-"/>
40 - 44	<input type="text"/>	x	<input type="text" value="1.00"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="0.90"/>	<input type="text" value="-"/>
45 - 49	<input type="text"/>	x	<input type="text" value="0.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="0.90"/>	<input type="text" value="-"/>
50 - 54	<input type="text"/>	x	<input type="text" value="0.90"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.05"/>	<input type="text" value="-"/>
55 - 59	<input type="text"/>	x	<input type="text" value="1.05"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.35"/>	<input type="text" value="-"/>
60 - 64	<input type="text"/>	x	<input type="text" value="1.25"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="1.90"/>	<input type="text" value="-"/>
65 - 69	<input type="text"/>	x	<input type="text" value="1.50"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="2.20"/>	<input type="text" value="-"/>
70 & over	<input type="text"/>	x	<input type="text" value="1.85"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="2.50"/>	<input type="text" value="-"/>
1 Medicare Primary	<input type="text"/>	x	<input type="text" value="0.35"/>	=	<input type="text" value="-"/>		<input type="text"/>	<input type="text" value="0.35"/>	<input type="text" value="-"/>
	=====				=====		=====		=====
Total	A = <input type="text" value="-"/>			B =	<input type="text" value="-"/>	C =	<input type="text" value="-"/>		D = <input type="text" value="-"/>
Composite Dependent Age / Gender Adjustment Factor = [ B + D ] / [ A + C ]						<input type="text"/>			

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology Dependent Participation / Dependent Contribution Factor Table XVIII

Apply the factor below to the Composite Dependent rate

Dependent Participation Percent	Factor
100%	0.85
90%-99%	0.90
80%-89%	0.95
70%-79%	1.00
60%-69%	1.04
50%-59%	1.08
Under 50%	1.10
0%	0.00

If the dependent participation is not known use the employer dependent contribution below

Employer Dependent Contribution %	Factor
100%	0.85
90%-99%	0.88
80%-89%	0.90
60%-79%	0.95
40%-59%	1.00
20%-39%	1.03
1%-19%	1.08

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Nonstandard Contract Year Adjustments

Table XIX

#### Contracts without a run-in or run-out period

Specific Stop Loss Deductible	6 month	7 month	8 month	9 month	10 month	11 month
20,000	0.73	0.77	0.81	0.88	0.93	0.96
25,000	0.73	0.77	0.81	0.87	0.93	0.96
30,000	0.72	0.77	0.81	0.86	0.93	0.96
40,000	0.71	0.76	0.80	0.85	0.92	0.96
50,000	0.70	0.76	0.79	0.85	0.92	0.96
60,000	0.69	0.75	0.79	0.84	0.91	0.96
75,000	0.68	0.74	0.78	0.84	0.91	0.95
100,000	0.66	0.72	0.77	0.82	0.90	0.95
125,000	0.65	0.71	0.76	0.82	0.89	0.94
150,000	0.63	0.70	0.76	0.81	0.88	0.94
200,000	0.59	0.68	0.74	0.80	0.87	0.94
250,000	0.56	0.66	0.73	0.79	0.86	0.93
300,000	0.54	0.63	0.70	0.77	0.86	0.93
400,000	0.51	0.59	0.68	0.75	0.86	0.93
500,000	0.48	0.54	0.64	0.75	0.86	0.93

Specific Stop Loss Deductible	12 month	13 month	14 month	15 month	16 month	17 month	18 month
20,000	1.00	1.04	1.07	1.11	1.14	1.18	1.20
25,000	1.00	1.04	1.07	1.11	1.14	1.18	1.21
30,000	1.00	1.04	1.07	1.11	1.15	1.18	1.21
40,000	1.00	1.04	1.08	1.12	1.15	1.19	1.22
50,000	1.00	1.04	1.08	1.12	1.16	1.20	1.23
60,000	1.00	1.04	1.09	1.13	1.17	1.21	1.24
75,000	1.00	1.04	1.09	1.14	1.18	1.22	1.26
100,000	1.00	1.04	1.10	1.15	1.20	1.24	1.28
125,000	1.00	1.05	1.11	1.17	1.21	1.26	1.31
150,000	1.00	1.05	1.12	1.18	1.23	1.28	1.32
200,000	1.00	1.05	1.13	1.20	1.25	1.31	1.36
250,000	1.00	1.06	1.14	1.21	1.27	1.33	1.39
300,000	1.00	1.07	1.15	1.23	1.29	1.35	1.42
400,000	1.00	1.08	1.16	1.25	1.32	1.39	1.47
500,000	1.00	1.09	1.17	1.27	1.35	1.43	1.52

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Nonstandard Contract Year Adjustments

Table XIX

Contracts with either a run-in or run-out period

Specific Stop Loss Deductible	6 month	7 month	8 month	9 month	10 month	11 month
20,000	0.87	0.90	0.93	0.94	0.96	0.98
25,000	0.86	0.90	0.93	0.94	0.96	0.97
30,000	0.85	0.89	0.92	0.94	0.96	0.97
40,000	0.84	0.88	0.91	0.93	0.95	0.97
50,000	0.82	0.87	0.91	0.93	0.95	0.97
60,000	0.81	0.86	0.90	0.92	0.95	0.97
75,000	0.81	0.84	0.89	0.92	0.94	0.96
100,000	0.80	0.83	0.87	0.90	0.93	0.96
125,000	0.79	0.82	0.85	0.89	0.92	0.95
150,000	0.78	0.81	0.84	0.89	0.92	0.95
200,000	0.77	0.80	0.84	0.88	0.91	0.95
250,000	0.74	0.77	0.82	0.86	0.90	0.95
300,000	0.72	0.77	0.82	0.86	0.90	0.95
400,000	0.68	0.74	0.81	0.85	0.89	0.94
500,000	0.64	0.73	0.80	0.84	0.88	0.94

Specific Stop Loss Deductible	12 month	13 month	14 month	15 month	16 month	17 month	18 month
20,000	1.00	1.03	1.05	1.07	1.09	1.11	1.13
25,000	1.00	1.03	1.05	1.07	1.09	1.11	1.14
30,000	1.00	1.03	1.05	1.07	1.09	1.11	1.14
40,000	1.00	1.03	1.05	1.07	1.09	1.12	1.14
50,000	1.00	1.03	1.05	1.08	1.10	1.12	1.15
60,000	1.00	1.03	1.05	1.08	1.10	1.13	1.16
75,000	1.00	1.03	1.06	1.09	1.11	1.14	1.17
100,000	1.00	1.03	1.06	1.10	1.12	1.15	1.19
125,000	1.00	1.04	1.07	1.10	1.13	1.16	1.21
150,000	1.00	1.04	1.07	1.11	1.14	1.17	1.22
200,000	1.00	1.04	1.08	1.12	1.16	1.20	1.25
250,000	1.00	1.05	1.09	1.13	1.17	1.22	1.28
300,000	1.00	1.06	1.10	1.15	1.19	1.24	1.31
400,000	1.00	1.07	1.12	1.17	1.23	1.29	1.38
500,000	1.00	1.08	1.13	1.19	1.26	1.33	1.42

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Trend Adjustment

#### Table XX

Current Year: 2012

		Stop Loss Deductible			
Policy Effective Date		\$15,000 - \$74,999	\$75,000 - \$174,999	\$175,000 - \$299,999	\$300,000 +
January	2012	0.924	0.919	0.913	0.908
February	2012	0.937	0.932	0.927	0.923
March	2012	0.949	0.945	0.941	0.938
April	2012	0.962	0.959	0.956	0.953
May	2012	0.974	0.972	0.970	0.968
June	2012	0.987	0.986	0.985	0.984
July	2012	1.000	1.000	1.000	1.000
August	2012	1.013	1.014	1.015	1.016
September	2012	1.026	1.028	1.030	1.032
October	2012	1.040	1.043	1.046	1.049
November	2012	1.053	1.057	1.061	1.066
December	2012	1.067	1.072	1.077	1.083

For effective dates after December 2012, the monthly trend adjustments are as follows:

Adjustment per month	0.013	0.014	0.015	0.016
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# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Other Risk Adjustments

Table XXI

	Factor	Maximum Factor
<b>Quality of information is below standard</b>		0.05
Premium lag triangle submitted but less than 2 years.	0.01	
No premium lag triangles	0.02	
Claim lag triangle submitted but less than 2 years.	0.01	
No claim lag triangles	0.02	
No disclosure statement	0.02	
<b>Unusual claim payment patterns</b>		0.05
Average time from claim incurral to payment at the end of the policy is more than 25% faster than for the entire year for contracts with no run out	0.03	
Average time from claim incurral to payment at the end of the policy is more than 25% slower than for the entire year for contracts with run in	0.03	
<b>Frequent carrier change</b>		0.03
If group changed stop loss carriers two or more times in the last three years	0.03	
<b>Changes in employer contribution</b>		0.02
If the employer contribution for employee medical coverage reduced by more than 25% from the prior year	0.02	
<b>Significant change in employee demographics</b>		0.03
If the age / gender factor changed by more than 20% from the prior year	0.03	
<b>Superior utilization and cost management</b>		-0.02
If the group has contracted with a large case management vendor	-0.02	
<b>Remained with one carrier for long period of time</b>		-0.05
If the group has remained with one carrier for medical stop for 3 or more years	-0.05	
<b>Case persistency with producer</b>		-0.05
If the group has remained with one consultant / broker for medical stop for 3 or more years	-0.05	
<b>Quality of business with producer</b>		-0.05
If the producer's groups have run better than target LR by at least 5%	-0.05	
<b>Other Risk Factor =</b>	1	+
<b>Total of all applicable adjustments above</b>		

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

## IV. PREFERRED PROVIDER NETWORK DISCOUNT ANALYSIS

### Introduction

The data underlying the stop loss net premiums in the manual are based on the plan of benefits described on page I-2, which includes pre-certification and continuing stay review. The data does not include direct recognition of significant discounts as provided by preferred provider option (PPO) or point of service (POS) plans.

The structures of PPO plans vary significantly, and their effects on stop loss costs and rates are difficult to measure.

Many underwriters and MGUs may have their own approach to reflection of PPO discounts, based in part on local knowledge and also on underwriting judgment and competitive considerations.

This section provides guidance in the reflection of PPO discounts in stop loss premium determination in the following order.

- Overview — general discussion of PPO discounts and their potential effects on stop loss costs.
- Illustrative Methodology — a sample approach to quantification of effective PPO discounts to determine an estimated adjustment factor to stop loss premiums when PPO benefits are present.



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

### **Overview**

Most group medical plans now have either Preferred Provider or Point of Service features. These features may have a somewhat different effect on total medical plan costs and on excess claims over a stop loss deductible.

An analysis of the first dollar costs of a PPO plan is included in the HealthMAPS Medical Manual. We have included an illustrative methodology in this section of the Specific Stop Loss Manual to assist in the analysis of PPO discounts and the expected financial impact of these discounts on the net monthly premiums included in this manual. **The comments in this section are intended to emphasize that to evaluate the potential or likely savings in a specific stop loss program when a PPO is involved, many factors that are specific to that PPO and the group involved should be considered.**

Benefits provided in-network usually are paid with lower employee's coinsurance than under a regular indemnity or fee for service plan. Conversely, benefits provided out-of-network are usually paid with higher employee's coinsurance. Sometimes well care is provided but only for in-network providers. The usual objective is to have benefits that are more generous than previously available if one uses the network but reduced when one elects to go out-of-network. Total cost of the program usually is targeted to be less than an 80/20 indemnity plan due to utilization controls by shifting utilization to more efficient providers and by obtaining discounts for services from network providers.

A typical PPO plan compared to an indemnity plan with 80% of the first \$5,000, then 100% of the excess might have 90% of the first \$10,000 in-network, then 100% of the excess and 70% of the expenses out-of-network for the first 10,000, then 100% of the excess. The net result of the plan design differences and provider discounts may be that the composite cost per employee is lower by 10% compared to the 80/20 indemnity plan and the reimbursement arrangement in-network may reduce future trends by 1 or 2 percentage points.

The success of the program depends upon the relative use of the network, the scope of services available in-network, the network's relative costs and efficiency of its medical practice, and the scope of the services actually rendered by the network.

Because stop loss claims usually are paid without any employee's coinsurance, the network and out-of-network coinsurance percentages are generally not a factor. If one could be sure that the network would treat all patients at a cost that is, for purposes of illustration, 20% below the usual, regular, and customary average cost without adding any extra services, the case for a significant reduction in related stop loss cost is clear. For example, under a traditional base plan, the claims excess of \$50,000 may be distributed as follows:

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

Range	Average	Frequency	Claims Cost	Excess of \$50,000 Claim Cost
\$50,000 – \$62,500	\$ 55,700	.0049	\$ 272.93	\$ 27.93
\$62,500 & Over	<u>150,600</u>	<u>.0137</u>	<u>2,063.22</u>	<u>1,378.22</u>
Total	\$125,599	.0186	\$2,336.15	\$1,406.15

Assuming the 20% reduction against the average claim amount, the revised table would be:

Range	Average	Frequency	Claims Cost	Excess of \$50,000 Claim Cost
\$40,000 – \$50,000	\$44,560	.0049	\$ 218.34	\$ 0
\$50,000 & Over	<u>120,480</u>	<u>.0137</u>	<u>1,650.58</u>	<u>965.58</u>
Total	\$100,480	.0186	\$1,868.92	\$965.58

This would be a reduction of 31.3% in stop loss cost under a PPO plan with a 20% discount on provider charges. Assuming that half of all claim amounts in dollars are performed out-of-network, the weighted cost reduction would be  $31.3\% \times .5 = 15.7\%$ .

Complicating this analysis are qualifying cases which are referred out by the network because services are not available in the network. Therefore, the subscriber does not have to pay out-of-pocket charges beyond the amount that he would have been required to pay for in-network service. The weighted reduction then would involve three elements, where the third element is the average savings, if any, on qualifying care for out-of-network referrals. Assume the proportions of large claim services are 40% in-network with a 31.0% reduction, 30% network referrals with an 11% reduction, and 30% self-referrals out-of-network with no discount. The weighted reduction in stop loss cost would be  $(31.0\% \times .4 + 11\% \times .3) = 15.7\%$ .

A hospital discount expressed as a percentage of regular billed charges may have a similar impact on moderate and extremely expensive hospital confinements. However, a per diem reimbursement may offer much greater reductions for extremely expensive confinements which make up the bulk of the costs for stop loss deductibles of \$50,000 and over. These claims may have more intense hospital services, and a per diem that represents a 20% discount on average may represent a 70% discount in some cases and perhaps a 40% discount on average for all hospital claims where the regular billed charges exceed \$50,000.

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

Assume that a hospital has an average cost per day of \$3,500 which is based on all non-maternity confinement days. The range may run from \$2,000 to \$8,000. The hospital claims under \$50,000 may represent 65% of the days confined with an average cost per day of \$3,000. The hospital claims of \$50,000 and over may represent 35% of the days confined with an average cost per day of \$4,425. Therefore, a per diem PPO reimbursement of \$2,800, which represents a 20% discount overall, may represent a 36.7% discount for hospital claims over \$50,000 based on assumptions in this example.

In some PPOs, there are no facilities for performing certain expensive treatments such as organ transplants, neonatal problems, spinal cord trauma, etc. The patient is referred out-of-network and receives in-network benefits or some other "qualifying" level which is higher than the non-network benefits. In some situations, the charges are regular retail while in other situations, the PPOs negotiate lower than retail charges and, therefore, obtain discounted prices for these services.

Some PPO reimbursement contracts have exceptions to the basic reimbursement formula for outlier claims, whether the formula uses per diems, DRGs, or discounts. Some may have a minimum/maximum discount test for each claim, such as all hospital reimbursements being on a per diem but the reimbursement having a minimum discount of 10% and a maximum discount of 40%.

Some PPOs have a "center of excellence" program which covers most tertiary services at a lower than retail cost. The provisions of the plan sponsored medical program may treat the failure to use the center of excellence facilities as out-of-network benefits with a modest extra coinsurance applicable such as \$2,000. On the other hand, a stronger cost control measure may limit reimbursement for a facility out-of-network or not part of a center of excellence program as being subject to a maximum reimbursement equal to the reimbursement that would have been made for an in-network or center of excellence facility. In some cases, PPOs will negotiate with non-network and non-centers of excellence for competitive reimbursements.

The credit or discount from expected claims allowed for first dollar benefits for purposes of setting attachment points may be greater than the credit or discount applied to stop loss premiums. This may reflect the utilization controls of the PPO network upon total costs. However, the claims that penetrate a stop loss deductible usually will require significant treatment and specialists rather than family physicians.

### **Evaluation of a Preferred Provider Network**

Following is a list of factors that should be considered for each individual PPO situation in order to determine a stop loss premium discount. Once a particular PPO in a location has been analyzed, subsequent analysis is easier. Also, once a PPO program has been in place for a period of time, one can analyze claims to determine for various claims sizes the relative utilization of in-network and out-of-network services, the actual discounts from retail and the case management effectiveness of the PPO.

1. Reimbursement arrangements with hospitals, physicians, and other providers.
2. Exceptions to reimbursement arrangements such as outliers, minimum/maximum discounts.
3. Extent of network services in general with attention to availability of services for treatments for:
  - organ and bone marrow transplants
  - neonatal
  - extensive burns
  - head and spinal cord injuries.



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

4. Availability of a "center of excellence" program.
5. Practice and success in negotiations with providers out-of-network.
6. Plan sponsor's contractual provisions with respect to out-of-network treatment and non-use of "center of excellence" facilities.
7. History of actual experience in and out-of-network for large claims and extent of actual savings on large claims in-network.

### **Summary**

With the wide prevalence of PPO programs, we believe that pricing of related stop loss benefits should reflect the specific characteristics of the PPO and the group being rated. The following pages provide an illustrative methodology that is a step in that direction. Regardless of approach, careful consideration of all the pertinent factors is advised.

The argument that the provider discount will have a leveraged effect on the excess expenses over the stop loss deductible is reasonable on its face, but the potential for out-of-network care, with only a relatively small disincentive, causes us to adopt a conservative stance. The use of leveraged discounts (off of manual stop loss premiums) still may prove to be too optimistic, especially if the large claims are performed out-of-network at greater frequencies than anticipated or if the reimbursement contract changes to protect facilities from inadequate payments for intensive services or expensive charges whose wholesale costs may exceed per diem allowances. Therefore, absent a more refined, quantitative approach, such as a detailed analysis of high claims and discounts for a significant book of business in a single location, we would usually recommend discounts that are 60% to 70% of the theoretically calculated discounts obtained by analyzing all the pertinent factors. Such an approach should be balanced against other underwriting and competitive considerations.

From discussions with users of this manual and software we have noted the following:

- Most users do not use a leveraged discount because of the reasons noted in the above paragraph.
- Discounts off manual vary widely from 10% to 30%.
- Differences between PPOs are often not analyzed because of lack of information. Thus most PPOs may be given a "standard" discount with a few given a higher preferred discount based upon experience and greater disclosure of information.

### **Illustrative Methodology**

As stated previously, the effect of PPO discounts on stop loss costs is difficult to measure and many approaches are possible.

This section presents a relatively straightforward approach that may be considered if more refined methods are not available. The approach includes the following steps:

- **Prevailing Charge Tables and Analysis** — tables and worksheets to estimate the effective discounts for average prevailing hospital and professional charges, for in-network benefits. This includes consideration of hospital outlier and minimum/ maximum discount provisions. **Note that this discount analysis is not contained in the accompanying visual basic software.** However, a spreadsheet is provided to aid in the analysis of physician fee discounts.

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

- Hospital Outlier Reimbursement Provisions — a table of weights used to modify inpatient hospital discounts.
- Pricing Factors for PPO Discounts — a table of factors to transform the effective discounts into percentage adjustments for in-network stop loss costs.
- Stop Loss Premium Adjustment Factor — a worksheet to estimate an overall adjustment to manual stop loss costs when PPO discounts are present.

### **Prevailing Charge Tables and Analysis**

Shown on the Prevailing Charge tables on the following pages are the average retail charges one would expect for hospital and professional services performed in each of the metropolitan areas. Note that average physician charges are expressed in terms of conversion factors. The conversion factors are applied to the RBRVS-based relative value schedule to calculate fees for particular procedures. The relative values and the calculation procedure are shown in the Example and on the spreadsheet. The average time period for these charges is projected to be centered around July 1, 2012.

RBRVS refers to the Resource Based Relative Value Schedule which forms the basis for Medicare reimbursement. Note that 2012 relative values are different than 2011 and prior. HealthMAPS had held relative values constant for several years, however, RBRVS relative values do change over time. In addition to relative value changes, the number of model CPT codes was increased from 261 to 500.

Because these charges are based upon projected historical data, the underwriter may have superior information available from the PPO, HMO, or provider group that is acceptable based on the documentation supplied. In that case, the local data should be used.

The Prevailing Charge tables offer a reasonable test check against the asserted discounts by the provider, PPO, or HMO. Often the network may exaggerate how favorable its reimbursement contracts are compared to the retail charges in the community. When the network hospitals have percentage of billed charges as the basis of the reimbursements, the stop loss underwriter should compare the hospitals' average billed per diem charges to the prevailing charges in the community. A high cost hospital which has charges that are 115% of community combined with a discount of 25% of billed charges produces only a 13.75% discount, compared to 100% of community prevailing charges. On the other hand, a hospital with a charge level of 90% of community combined with a 20% discount produces an effective discount of 28%.

Following the tables of Prevailing Charges is an example of how to use the tables to estimate an overall effective level of discount for in-network benefits and an adjustment factor to apply to stop loss premiums to reflect the effect of discounts. The example includes Worksheets 1 through 5, instructions for each worksheet, and the Network Physician Fee Analysis spreadsheet. Blank worksheets are given in Section VII.

The worksheets are best utilized if the user can provide some assumptions in the nature of distribution of charges by type of expense. However, default values are provided.

1/2012

IV-6

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

### 2012 Prevailing Charges Tables

Zip Code	City	Hospital Per Diem	RBRVS Unit Value			
			Surgical	Medical	Pathology	Radiology Total
ARKANSAS						
716	Pine Bluff	\$5,321	\$75.83	\$57.33	\$48.63	\$151.74
717	Camden	\$6,597	\$75.83	\$57.33	\$48.63	\$151.74
718	Texarkana, TX	\$5,216	\$75.83	\$57.33	\$48.63	\$151.74
719	Hot Springs Nat'l Park	\$8,310	\$75.83	\$57.33	\$48.63	\$151.74
720	Little Rock (A-L)	\$4,665	\$81.74	\$59.44	\$48.56	\$174.58
721	Little Rock (M-Z)	\$5,430	\$81.74	\$59.44	\$48.56	\$174.58
722	Little Rock	\$7,111	\$81.31	\$61.42	\$52.42	\$165.66
723	Memphis, TN	\$5,275	\$77.17	\$56.37	\$60.93	\$140.33
724	Jonesboro	\$4,343	\$77.17	\$56.37	\$60.93	\$140.33
725	Batesville	\$5,353	\$77.17	\$56.37	\$60.93	\$140.33
726	Harrison	\$5,099	\$77.17	\$56.37	\$60.93	\$140.33
727	Fayetteville	\$7,482	\$84.59	\$63.63	\$63.98	\$134.34
728	Russellville	\$4,839	\$75.83	\$57.33	\$48.63	\$151.74
729	Fort Smith	\$5,076	\$84.59	\$63.63	\$63.98	\$134.34

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### 2010 Medicare Allowable Unit Values

State	Surgical	Medical	Pathology	Radiology
Alabama	33.90	32.65	23.75	22.35
Alaska	45.35	44.35	30.25	27.65
Arizona	35.55	33.75	24.75	23.45
Arkansas	33.75	32.55	23.65	22.25
Anaheim/Santa Ana, CA	41.20	38.75	30.15	29.25
Los Angeles, CA	40.55	38.20	29.40	28.40
Marin/Napa/Solano, CA	40.30	38.35	30.00	29.05
Oakland/Berkeley, CA	40.95	39.00	30.50	29.55
San Francisco, CA	43.75	41.45	33.30	32.60
San Mateo, CA	43.80	41.55	33.25	32.50
Santa Clara, CA	41.50	39.60	30.85	29.80
Ventura, CA	40.90	38.50	30.00	29.10
Rest of California	36.45	34.80	26.15	24.95
Colorado	35.45	33.85	25.00	23.75
Connecticut	40.20	37.70	28.70	27.65
Delaware	36.60	34.80	26.00	24.75
DC + MDVA Suburbs	41.00	38.40	29.40	28.35
Fort Lauderdale, FL	39.45	35.60	25.80	24.55
Miami, FL	42.45	37.15	26.90	25.80
Rest of Florida	37.45	34.40	24.80	23.50
Atlanta, GA	36.35	34.45	25.45	24.15
Rest Of Georgia	34.95	33.20	24.10	22.70
Hawaii/Guam	38.40	36.35	27.95	26.95
Idaho	34.30	32.95	24.05	22.65
Chicago, IL	40.30	36.70	27.00	25.80
East St. Louis, IL	37.40	34.30	24.65	23.30
Suburban Chicago, IL	39.25	36.10	26.65	25.45
Rest of Illinois	35.80	33.50	24.15	22.80
Indiana	34.75	33.25	24.35	23.00
Iowa	33.90	32.75	23.90	22.50
Kansas	34.30	32.95	24.00	22.65
Kentucky	34.30	32.85	23.85	22.45
New Orleans, LA	37.00	34.85	25.95	24.75
Rest of Louisiana	35.00	33.20	24.05	22.70
Southern Maine	35.65	34.15	25.50	24.25
Rest of Maine	34.25	32.95	24.10	22.75
Baltimore/Surr. Cntys, MD	37.75	35.35	26.30	25.10
DC + MDVA Suburbs	41.00	38.40	29.40	28.35
Rest of Maryland	35.90	33.95	25.00	23.70
Metropolitan Boston	41.40	38.95	30.50	29.65
Rest of Massachusetts	37.80	35.75	27.05	25.95
Detroit, MI	39.70	36.25	26.35	25.05
Rest of Michigan	35.85	33.70	24.50	23.20
Minnesota	34.50	33.40	24.85	23.55
Mississippi	34.60	32.95	23.85	22.45
Metropolitan Kansas City, MO	36.30	33.95	24.75	23.40
Metropolitan St. Louis, MO	35.90	33.75	24.60	23.25
Rest of Missouri	34.75	32.85	23.60	22.15
Montana	34.25	32.75	23.75	22.35
Nebraska	33.70	32.70	24.05	22.65

1/2012

IV-31

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

Table XIII

HealthMAPS®

2012 Specific Stop Loss

2010 Medicare Allowable Unit Values				
State	Surgical	Medical	Pathology	Radiology
Nevada	37.00	34.70	25.65	24.45
New Hampshire	35.80	34.35	25.75	24.50
Northern NJ	41.55	38.80	29.65	28.60
Rest of New Jersey	39.50	37.00	27.75	26.55
New Mexico	35.60	33.50	24.25	22.85
Manhattan, NY	42.65	39.90	30.95	29.95
NYC Suburbs/Long I., NY	42.80	39.75	30.75	29.80
Poughkeepsie/N NYC Suburbs, NY	37.50	35.50	26.60	25.40
Queens, NY	41.55	38.60	29.70	28.75
Rest of New York	34.35	33.10	24.35	23.00
North Carolina	34.85	33.35	24.40	23.10
North Dakota	33.60	32.50	23.65	22.20
Ohio	36.25	33.85	24.60	23.25
Oklahoma	34.20	32.75	23.75	22.35
Portland, OR	35.45	34.00	25.30	24.05
Rest of Oregon	34.50	33.20	24.40	23.05
Metropolitan Philadelphia, PA	39.70	36.50	27.15	26.00
Rest of Pennsylvania	35.85	33.70	24.55	23.20
Rhode Island	38.10	35.80	26.85	25.65
South Carolina	34.30	33.05	24.20	22.85
South Dakota	33.85	32.65	23.80	22.40
Tennessee	34.50	33.05	24.10	22.75
Austin, TX	36.15	34.05	25.00	23.75
Beaumont, TX	36.05	33.60	24.15	22.80
Brazoria, TX	36.45	34.15	24.65	23.25
Dallas, TX	36.75	34.50	25.30	24.00
Fort Worth, TX	36.20	33.95	24.80	23.50
Galveston, TX	36.50	34.10	24.85	23.55
Houston, TX	37.30	34.70	25.25	23.95
Rest of Texas	35.45	33.35	24.10	22.75
Utah	35.60	33.55	24.35	23.00
Vermont	35.05	33.65	24.90	23.60
DC + MD/VA Suburbs	41.00	38.40	29.40	28.35
Virginia	35.05	33.50	24.60	23.25
Seattle (King Cnty), WA	37.40	35.50	26.70	25.55
Rest of Washington	35.45	33.75	24.90	23.60
West Virginia	35.60	33.20	23.75	22.30
Wisconsin	34.30	33.10	24.35	23.00
Wyoming	34.70	32.90	23.75	22.35
Puerto Rico	31.95	31.25	22.25	20.70
Virgin Islands	36.20	34.05	25.00	23.70

1/2012

IV-32



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

### **Inpatient Hospital Outlier Provisions**

Some PPO inpatient hospital reimbursement contracts have exceptions to the basic reimbursement formula for outlier claims. Outlier claims are inpatient hospital claims exceeding a dollar threshold.

Example of Outlier Provision — If hospital's inpatient billed charges exceed \$25,000 on a case, then the entire hospital claim shall be paid at 80% of the hospital's billed charges.

The following table shows the percentage of inpatient hospital claim dollars that are subject to the outlier threshold. For example, if the specific deductible is \$25,000 and the outlier threshold is \$50,000, then 79% of inpatient hospital claim dollars are subject to the outlier provision.

Assume the primary reimbursement is a hospital per diem equivalent to a 30% discount and the discount on outliers is 20%. Then the effective discount in this example would be 22.1%\*. Note that these percentages vary by both specific deductible and outlier threshold level.

\*[.79 x 20% + .21 x 30%]

Percent of Inpatient Hospital Claims Subject to Outlier Provision										
Specific Deductible	Outlier Threshold ('000)									
	\$10	\$15	\$20	\$25	\$30	\$40	\$50	\$60	\$75	\$100
\$5,000	96%	92%	87%	83%	80%	72%	65%	59%	52%	42%
\$10,000	98%	95%	91%	87%	83%	76%	69%	63%	55%	45%
\$15,000	99%	97%	94%	90%	87%	80%	73%	67%	58%	48%
\$20,000	99%	98%	96%	93%	90%	83%	76%	70%	62%	50%
\$25,000	100%	99%	97%	95%	92%	86%	79%	73%	65%	53%
\$30,000	100%	99%	98%	96%	94%	88%	82%	76%	67%	56%
\$40,000	100%	99%	99%	98%	96%	92%	87%	81%	73%	61%
\$50,000	100%	100%	99%	99%	98%	95%	91%	86%	78%	66%
\$60,000	100%	100%	99%	99%	98%	96%	93%	90%	83%	71%
\$75,000	100%	100%	100%	99%	99%	98%	96%	93%	88%	78%
\$100,000	100%	100%	100%	99%	99%	98%	97%	96%	94%	86%
\$125,000	100%	100%	100%	99%	99%	99%	98%	97%	96%	91%
\$150,000	100%	100%	100%	100%	99%	99%	98%	98%	96%	94%
\$200,000	100%	100%	100%	100%	100%	99%	99%	98%	97%	96%
\$250,000	100%	100%	100%	100%	100%	99%	99%	98%	98%	97%
\$300,000	100%	100%	100%	100%	100%	99%	99%	99%	98%	97%
\$400,000	100%	100%	100%	100%	100%	100%	99%	99%	99%	98%
\$500,000	100%	100%	100%	100%	100%	100%	100%	99%	99%	99%

1/2012

IV-33

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

### **Example**

The Preferred Provider network is in Kansas City, Missouri, ZIP Code 641. The four hospitals involved that have the following reimbursement arrangements include:

1. St. Mary's  
In-Hospital Per Diem

Medical	\$4,000
Surgical	\$4,500
Intensive Care	\$6,300

Reimbursement for confinements with billed charges over \$50,000 is not less than 80% of billed charges.

Minimum Discount      10% of billed charges

Outpatient                      85% of billed charges

2. St. Luke's Medical Center  
Inpatient

Per Diem \$6,300	
Minimum Discount	10% of billed charges
Maximum Discount	30% of billed charges

Outpatient                      75% of billed charges

3. Doctor's Hospital  
Inpatient

80% of billed charges

Outpatient                      80% of billed charges

4. Northwest Hospital  
Inpatient

85% of billed charges

Outpatient                      80% of billed charges

1/2012

IV-34

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

The total charges for these hospitals for the previous year have been:

Total Charges		
	Amount	% of Total
St. Mary's	\$ 3,000,000	30%
St. Luke's	2,500,000	25
Doctor's Hospital	2,500,000	25
Northwest Hospital	<u>2,000,000</u>	20
TOTAL	\$10,000,000	

The Stop Loss program covers claims in excess of \$25,000. For these larger claims, it is expected that the distribution will be somewhat greater for St. Mary's and St. Luke's because they do more tertiary care, neonatal, transplants, and open-heart surgeries.

The adjusted distribution of charges by hospital is:

St. Mary's	35%
St. Luke's	35
Doctor's Hospital	15
Northwest Hospital	15

The out-of-network hospital charges for all claims have been \$2,000,000 or 16.7% of the total for the previous period. The information about large size claims out-of-network is not available; however, the assumption being made is that out-of-network claims will be 20% of total, and there will be no discount.

The following page contains various default values used in the example. Following that page, Worksheets 1, 2, 3 and 4 have been completed. In addition, the spreadsheet (Network Physician Fee Analysis Example) is shown.

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

### Default Weights for use in Worksheets 1, 2, 3 and 4

**Table W (For use in Worksheet 1)**

All Claims	Medical	Surgical	ICU/CCU
100.0%	30.0%	50.0%	20.0%

**Table X (For use in Worksheet 2)**

All Claims	Inpatient	Outpatient/Other
100.0%	70.0%	30.0%

**Table Y (For use in Worksheet 3)**

All Claims	Medical Portion	Surgical Portion	Pathology	Radiology	Anesthesia
100%	41.0%	35.0%	6.0%	9.0%	9.0%

**Table Z (For use in Worksheet 4)**

Specific Deductible	All Claims	Hospital Weight	Physician Weight	Other Weight
<25,000	100.0%	61%	30%	9%
25,000–99,000	100.0%	70%	24%	6%
100,000 and over	100.0%	74%	22%	4%

1/2012

IV-36

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Worksheet 1A – Example

##### Calculation of Hospital Pricing Factor – Specific Network Hospital

Contracted Hospital Name: St. Mary's

Contracted Hospital Location: Kansas City – ZIP 641

Outlier Provision: Not less than 80% of billed charges for confinements exceeding \$50,000 in billed charges.

Specific Deductible Level: \$25,000

	(A)	(B)	(C)	(D)	(E)
	Negotiated Rate	Prevailing Average	Pricing Factor (A/B)	Weight *	Weighted Average (C*D)
1. Medical	<u>4,000</u>	<u>8,372</u>	<u>47.78%</u>	<u>30.00%</u>	<u>14.33%</u>
2. Surgical	<u>4,500</u>	<u>8,372</u>	<u>53.75%</u>	<u>50.00%</u>	<u>26.88%</u>
3. ICU/CCU	<u>6,300</u>	<u>8,372</u>	<u>75.25%</u>	<u>20.00%</u>	<u>15.05%</u>
4. Other					
			<u>N/A</u>		<u>0.00%</u>
			<u>N/A</u>		<u>0.00%</u>
			<u>N/A</u>		<u>0.00%</u>
			<u>N/A</u>		<u>0.00%</u>
5. Subtotal (lines 1 + 2 + 3 + 4)				<u>100.00%</u>	<u>56.26%</u>
6. Total Calculated Pricing Factor ((5(E) / 5(D))					<u>56.26%</u>
7. Outlier Provision Pricing Factor					<u>80.00%</u>
8. Outlier Percentage					<u>79.00%</u>
9. Pricing Factor Adjusted for Outliers 6(E) x [1-8(E)] + 7(E) x 8(E)					<u>75.01%</u>
10. Adjusted Pricing Factor					
Maximum					<u>90.00%</u>
Minimum					<u>N/A</u>
11. Adjusted Hospital Pricing Factor (Lesser of 9(E) or 10(E))					<u>75.01%</u>

\*Default Weight from Table W

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Worksheet 1B – Example

Calculation of Hospital Pricing Factor – Specific Network Hospital

Contracted Hospital Name: St. Luke's Medical Center

Contracted Hospital Location: Kansas City – ZIP 641

Outlier Provision: None

Specific Deductible Level: \$25,000

	(A)	(B)	(C)	(D)	(E)
	Negotiated Rate	Prevailing Average	Pricing Factor (A/B)	Weight *	Weighted Average (C*D)
1. Medical	<u>6,300</u>	<u>8,372</u>	<u>75.25%</u>	<u>30.00%</u>	<u>22.58%</u>
2. Surgical	<u>6,300</u>	<u>8,372</u>	<u>75.25%</u>	<u>50.00%</u>	<u>37.63%</u>
3. ICU/CCU	<u>6,300</u>	<u>8,372</u>	<u>75.25%</u>	<u>20.00%</u>	<u>15.05%</u>
4. Other					
<u>                    </u>			<u>N/A</u>		<u>0.00%</u>
<u>                    </u>			<u>N/A</u>		<u>0.00%</u>
<u>                    </u>			<u>N/A</u>		<u>0.00%</u>
<u>                    </u>			<u>N/A</u>	<u>                    </u>	<u>0.00%</u>
5. Subtotal (lines 1 + 2 + 3 + 4)				<u>100.00%</u>	<u>75.26%</u>
6. Total Calculated Pricing Factor ((5(E) / 5(D))					<u>75.26%</u>
7. Outlier Provision Pricing Factor					<u>N/A</u>
8. Outlier Percentage					<u>N/A</u>
9. Pricing Factor Adjusted for Outliers 6(E) x [1-8(E)] + 7(E) x 8(E)					<u>75.26%</u>
10. Adjusted Pricing Factor					
Maximum					<u>90.00%</u>
Minimum					<u>70.00%</u>
11. Adjusted Hospital Pricing Factor (9(E) Adjusted for 10(E) Max/Min)					<u>75.26%</u>

\*Default Weight from Table W

1/2012

IV-38

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Instructions

#### Worksheet 1

- Step 1: Evaluate the hospital contract and determine the current negotiated reimbursement arrangements. It is not necessary to complete this worksheet if the hospital has a single overall percent of charges arrangement. Proceed to Step 4 if the hospital contract has a percent of charges arrangement that varies by service category. Proceed to Step 2 if the hospital arrangement has per diems or case rates.
- Step 2: Evaluate the per diem for each service category, and record it in Column A (Medical on line 1, Surgical on Line 2, ICU/CCU on Line 3, etc.). If the arrangement is a case rate, then estimate the per diem by dividing the case rate by the estimated length of stay.
- Step 3: Determine the appropriate undiscounted average per diem for the network location. This overall average should be entered in Column B for each service category after trending to the appropriate hospital contract period.
- Step 4: Calculate the pricing factor (Column C) by dividing the negotiated rate (Column A) by the prevailing average (Column B) for each service category. The negotiated percent of charges should be entered if this is available.
- Step 5: Default service category weights are provided in Table W. Network specific, or local area book of business specific, or client specific weights can be substituted for the default weights if they are available by service category.
- Step 6: Calculate the weighted average for each service category (Column E) by multiplying the pricing factor (Column C) by the weight (Column D). Zeros should be substituted for both the weights (Column D) and the weighted average (Column E) in service categories where no data is available.
- Step 7: Subtotal the weights (Column D) and the weighted average (Column E) on Line 5. The weights will not add to 100% if some services were zeroed in Step 7 (this will be reflected in Step 8).
- Step 8: Divide the subtotal weighted average (Column E, Line 5) by the subtotal weights (Column D, Line 5) to calculate the pricing factor (Line 6).
- Step 9: Review the hospital contract for outlier provisions. Estimate the impact and record on Line 7.
- Step 10: Record in Line 8 the percentage of inpatient hospital claim dollars that are subject to the outlier provision.
- Step 11: Calculate the pricing factor adjusted for outliers. The result of Step 8 is combined with the result of Step 9 using the weighting given in Step 10.

1/2012

IV-39

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

- Step 12: Review the hospital contract for maximum or minimum discount provisions (example: a clause stating that the per diem floor is 75% of charges and the ceiling is 90% of charges). Estimate the overall impact of this arrangement (if applicable) and record it on Line 10.
- Step 13: The pricing factor for the specified hospital is the calculated rate (Line 9) subject to the maximum/minimum provision in the contract (Line 10).



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Worksheet 2 – Example

Contracted Network Location: Kansas City – ZIP 641

Calculation of Hospital/Facility Pricing Factor – All Network Hospitals

	(A)	(B)	(C)	(D)	(E)	(F)
Hospital/Facility	Pricing Factor	Total Weight	Total Weight (Percent)	Weighted Factor (A*C)	Category Weight *	Overall Weighted Factor
Inpatient:						
St. Mary's	<u>75.01%</u>	<u>3,500</u>	<u>35.00%</u>	<u>26.25%</u>		
St. Luke's Medical Ctr.	<u>75.26%</u>	<u>3,500</u>	<u>35.00%</u>	<u>26.34%</u>		
Doctor's Hospital	<u>80.00%</u>	<u>1,500</u>	<u>15.00%</u>	<u>12.00%</u>		
Northwest Hospital	<u>85.00%</u>	<u>1,500</u>	<u>15.00%</u>	<u>12.75%</u>		
	<u>0.00%</u>		<u>0.00%</u>	<u>0.00%</u>		
	<u>0.00%</u>		<u>0.00%</u>	<u>0.00%</u>		
	<u>0.00%</u>		<u>0.00%</u>	<u>0.00%</u>		
Subtotal		<u>10,000</u>		<u>77.34%</u>	<u>70.0%</u>	<u>54.14%</u>
Outpatient/Other:						
St. Mary's	<u>85.00%</u>	<u>3,000</u>	<u>30.00%</u>	<u>25.50%</u>		
St. Luke's Medical Ctr.	<u>75.00%</u>	<u>2,500</u>	<u>25.00%</u>	<u>18.75%</u>		
Doctor's Hospital	<u>80.00%</u>	<u>2,500</u>	<u>25.00%</u>	<u>20.00%</u>		
Northwest Hospital	<u>80.00%</u>	<u>2,000</u>	<u>20.00%</u>	<u>16.00%</u>		
			<u>0.00%</u>	<u>0.00%</u>		
			<u>0.00%</u>	<u>0.00%</u>		
			<u>0.00%</u>	<u>0.00%</u>		
Subtotal		<u>10,000</u>		<u>80.25%</u>	<u>30.0%</u>	<u>24.08%</u>
Total (to Worksheet 4)						<u><u>78.22%</u></u>

\* Default Weight from Table X

1/2012

IV-41

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Instructions

#### Worksheet 2

- Step 1: Enter the inpatient pricing factor for each hospital in Column A. This figure will either be the calculated figure from Worksheet 1 or the single overall percentage of charges amount.
- Step 2: Enter the outpatient pricing factor in the outpatient section of Column A.
- Step 3: Enter weights to be used to blend together the inpatient hospital arrangements (Column B). Credible historical network information or employer information is the preferred weight (preference order is charges, followed by inpatient days, followed by admits). Total beds (from the AHA guide, or a similar source) can be used in the absence of available historical information.
- Step 4: Subtotal the inpatient weights (Column B).
- Step 5: Calculate the weight percentages by dividing each hospital's weight by the subtotal weight (Column B). The results should be recorded in Column C for each hospital.
- Step 6: Calculate the weighted inpatient pricing factor for each hospital (Column D) by multiplying the pricing factor (Column A) by the weight percentage (Column C).
- Step 7: Subtotal the inpatient weighted factors (Column D).
- Step 8: Outpatient information should be weighted similar to that described for inpatient. Averaging can be applied in the absence of credible information. The resulting average for outpatient service should be recorded on the outpatient subtotal in Column D.
- Step 9: Standard category weights (inpatient and outpatient) for stop loss claims have been provided in Column E. The historical percentages should be substituted for supplied figures if credible historical information is available.
- Step 10: The inpatient and outpatient weighted pricing factors (Column D) should be multiplied by the respective category weights (Column E) to develop the weighted factor (Column F) for both inpatient and outpatient.
- Step 11: Inpatient and outpatient weighted factors (Column F) should be totaled to determine the all network hospital pricing factor.

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Worksheet 3 – Example

Contracted Network Location: Kansas City – ZIP 641

Calculation of Physician Pricing Factor

	(A)	(B)	(C)
Service Category	Pricing Factor*	Weight***	Weighted Average (A*B)
1. Surgical	<u>79.9%</u>	<u>35.00%</u>	<u>27.97%</u>
2. Radiology	<u>91.4%</u>	<u>9.00%</u>	<u>8.23%</u>
3. Pathology	<u>62.4%</u>	<u>6.00%</u>	<u>3.74%</u>
4. Medical	<u>73.0%</u>	<u>41.00%</u>	<u>29.93%</u>
5. Anesthesia**	<u>79.9%</u>	<u>9.00%</u>	<u>7.19%</u>
6. Other:			
<u>                    </u>	<u>N/A</u>		<u>0.00%</u>
<u>                    </u>	<u>N/A</u>		<u>0.00%</u>
<u>                    </u>	<u>N/A</u>		<u>0.00%</u>
<u>                    </u>	<u>N/A</u>		<u>0.00%</u>
7. Subtotal (lines 1 + 2 + 3 + 4 + 5 + 6)		<u>100.00%</u>	<u>77.06%</u>
8. Total Physician Pricing Factor (7(C) / 7(B)) (to Worksheet 4)			<u>77.06%</u>

\*The Pricing Factors are calculated on the spreadsheet  
(Network Physician Fee Analysis Example.xls).

\*\*Assumed to be same as Surgical

\*\*\*Default Weight from Table Y

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Instructions

#### Worksheet 3

- Step 1: Calculate the pricing factor for each service category and record in Column A. Enter the negotiated percent of charges if it is available. If the negotiated percent of charges is not available, use the spreadsheet (Network Physician Fee Analysis Example.xls) to estimate the percent. To use the spreadsheet, input the conversion factors from the prevailing charge tables and then input the negotiated fee for each CPT code. Pricing factors for each service type are calculated in the last column of the spreadsheet.
- Step 2: Service category default weights are provided in Column B. Network specific, or local area book of business specific, or client specific weights for relevant size claims by service category can be substituted for the default weights if they are available.
- Step 3: Calculate the weighted average for each service category (Column C) by multiplying the pricing factor (Column A) by the weight (Column B). Zeros should be substituted for both the weights (Column B) and the weighted average (Column C) in service categories where no data is available.
- Step 4: Subtotal the weights (Column B) and the weighted average (Column C) on Line 7. The weights will not add to 100% if some services were zeroed in Step 3 (this will be reflected in Step 5).
- Step 5: Divide the subtotal weighted average (Column C, Line 7) by the subtotal weights (Column B, Line 7) to calculate the physician pricing factor (Line 8).

The following pages show spreadsheet calculations of the Pricing Factors by service category. The RBRVS Unit Values used are (see ZIP code 641):

Surgical	\$85.34
Medical	\$62.85
Pathology	\$56.30
Radiology	\$148.78

Note that the surgical pricing factor is used for anesthesia.

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no		Average Prevailing Charge = [Unit Values x (B)]	Network Products = (A)x(C)x(D)	Average Prevailing Charge Products = (A)x(C)x(E)
Surgery								Pricing Factor = (F) / ((G)
10022	FNA W/IMAGE	0.00173	3.87	0		330.27		
10040	ACNE SURGERY	0.00306	3.03	0		258.58		
10060	DRAINAGE OF SKIN ABSCESS	0.00527	3.33	1	92.1	284.18	0.4856	1.4976
10061	DRAINAGE OF SKIN ABSCESS	0.00171	5.49	0		468.52		
11042	DEB SUBQ TISSUE 20 SQ CM/≤	0.00299	3.02	0		257.73		
11056	TRIM SKIN LESIONS 2 TO 4	0.00393	1.74	0		148.49		
11100	BIOPSY SKIN LESION	0.02857	3.01	1	89.4	256.87	2.5552	7.3389
11101	BIOPSY SKIN ADD-ON	0.01177	0.97	0		82.78		
11200	REMOVAL OF SKIN TAGS	0.00245	2.53	0		215.91		
11301	SHAVE SKIN LESION	0.00255	2.73	0		232.98		
11401	EXC TR-EXT B9+MARG 0.6-1 CM	0.00225	4.30	1	153.12	366.96	0.3445	0.8257
11402	EXC TR-EXT B9+MARG 1.1-2 CM	0.00221	4.79	0		408.78		
11403	EXC TR-EXT B9+MARG 2.1-3 CM	0.00081	5.54	0		472.78		
11602	EXC TR-EXT MLG+MARG 1.1-2 CM	0.00088	7.25	0		618.72		
11721	DEBRIDE NAIL 6 OR MORE	0.01509	1.25	0		106.68		
11730	REMOVAL OF NAIL PLATE	0.00291	2.83	0		241.51		
11750	REMOVAL OF NAIL BED	0.00324	6.45	1	353.65	550.44	1.1458	1.7834
11900	INJECTION INTO SKIN LESIONS	0.00515	1.63	0		139.10		
12001	REPAIR SUPERFICIAL WOUND(S)	0.00273	2.49	1	136.86	212.50	0.3736	0.5801
12002	REPAIR SUPERFICIAL WOUND(S)	0.00127	3.04	0		259.43		
12011	REPAIR SUPERFICIAL WOUND(S)	0.00145	3.12	1	173.44	266.26	0.2515	0.3861
12031	INTMD WND REPAIR S/TR/EXT	0.00113	7.29	0		622.13		
12032	INTMD WND REPAIR S/TR/EXT	0.00209	8.94	0		762.94		
12051	INTMD WND REPAIR FACE/MM	0.00053	7.93	0		676.75		
13101	REPAIR OF WOUND OR LESION	0.00071	11.68	0		996.77		
13121	REPAIR OF WOUND OR LESION	0.00066	13.06	0		1,114.54		
13132	REPAIR OF WOUND OR LESION	0.00088	17.23	0		1,470.41		
13152	REPAIR OF WOUND OR LESION	0.00020	16.63	0		1,419.20		
14040	SKIN TISSUE REARRANGEMENT	0.00045	22.84	0		1,949.17		
14041	SKIN TISSUE REARRANGEMENT	0.00017	28.24	0		2,410.00		
14060	SKIN TISSUE REARRANGEMENT	0.00048	23.29	0		1,987.57		
15260	SKIN FULL GRAFT EEN & LIPS	0.00021	30.17	0		2,574.71		
15732	MUSCLE-SKIN GRAFT HEAD/NECK	0.00006	45.27	0		3,863.34		
15734	MUSCLE-SKIN GRAFT TRUNK	0.00009	45.47	0		3,880.41		
15823	REVISION OF UPPER EYELID	0.00029	18.19	0		1,552.33		
17000	DESTRUCT PREMALG LESION	0.02722	2.36	1	69.1	201.40	1.8812	5.4822
17003	DESTRUCT PREMALG LES 2-14	0.07491	0.20	0		17.07		
17110	DESTRUCT B9 LESION 1-14	0.02774	3.18	1	81.3	271.38	2.2553	7.5281
17262	DESTRUCTION OF SKIN LESIONS	0.00103	5.08	0		433.53		
17311	MOHS 1 STAGE H/N/HF/G	0.00230	19.23	0		1,641.09		

1/2012

IV-45

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no		Average Prevailing Charge = [Unit Values.x(B)	Network Products = (A)x(C)x(D)	Average Prevailing Charge = Products = (A)x(C)x(E) Pricing Factor = (F) / ((G)
17312	MOHS ADDL STAGE	0.00139	11.39	0		972.02		
17313	MOHS 1 STAGE T/A/L	0.00044	17.52	0		1,495.16		
19102	BX BREAST PERCUT W/IMAGE	0.00068	5.94	0		506.92		
19103	BX BREAST PERCUT W/DEVICE	0.00149	15.27	0		1,303.14		
19120	REMOVAL OF BREAST LESION	0.00031	14.31	1	829.26	1,221.22	0.2571	0.3786
19125	EXCISION BREAST LESION	0.00028	15.91	0		1,357.76		
19295	PLACE BREAST CLIP PERCUT	0.00176	2.45	0		209.08		
19296	PLACE PO BREAST CATH FOR RAD	0.00004	112.55	0		9,605.02		
19301	PARTIAL MASTECTOMY	0.00028	19.29	0		1,646.21		
19303	MAST SIMPLE COMPLETE	0.00020	29.89	0		2,550.81		
19307	MAST MOD RAD	0.00009	35.32	0		3,014.21		
19318	REDUCTION OF LARGE BREAST	0.00017	34.03	1	3,533.83	2,904.12	0.6008	0.4937
19350	BREAST RECONSTRUCTION	0.00009	24.68	0		2,106.19		
19357	BREAST RECONSTRUCTION	0.00016	45.81	0		3,909.43		
19380	REVISE BREAST RECONSTRUCTION	0.00010	23.61	0		2,014.88		
20550	INJ TENDON SHEATH/LIGAMENT	0.00976	1.68	1	82.6	143.37	0.8068	1.3993
20552	INJ TRIGGER POINT 1/2 MUSCL	0.00285	1.59	0		135.69		
20553	INJECT TRIGGER POINTS >= 3	0.00222	1.82	0		155.32		
20600	DRAIN/INJECT JOINT/BURSA	0.00342	1.59	0		135.69		
20605	DRAIN/INJECT JOINT/BURSA	0.00493	1.74	0		148.49		
20610	DRAIN/INJECT JOINT/BURSA	0.03520	2.34	1	96.2	199.70	3.3865	7.0293
20680	REMOVAL OF SUPPORT IMPLANT	0.00066	18.14	1	692.40	1,548.07	0.4570	1.0217
22520	PERCUT VERTEBROPLASTY THOR	0.00002	63.37	0		5,408.00		
22554	NECK SPINE FUSION	0.00027	37.80	1	3,612.41	3,225.85	0.9754	0.8710
22558	LUMBAR SPINE FUSION	0.00019	46.27	0		3,948.68		
22585	ADDITIONAL SPINAL FUSION	0.00043	10.20	0		870.47		
22600	NECK SPINE FUSION	0.00004	38.19	0		3,259.13		
22612	LUMBAR SPINE FUSION	0.00049	47.73	0		4,073.28		
22614	SPINE FUSION EXTRA SEGMENT	0.00057	11.87	0		1,012.99		
22630	LUMBAR SPINE FUSION	0.00018	45.96	0		3,922.23		
22802	FUSION OF SPINE	0.00002	63.17	0		5,390.93		
22830	EXPLORATION OF SPINAL FUSION	0.00006	24.07	0		2,054.13		
22840	INSERT SPINE FIXATION DEVICE	0.00028	23.14	0		1,974.77		
22842	INSERT SPINE FIXATION DEVICE	0.00032	23.18	1	2,914.59	1,978.18	0.9327	0.6330
22845	INSERT SPINE FIXATION DEVICE	0.00050	22.33	0		1,905.64		
22846	INSERT SPINE FIXATION DEVICE	0.00007	23.16	0		1,976.47		
22851	APPLY SPINE PROSTH DEVICE	0.00087	12.40	0		1,058.22		
23350	INJECTION FOR SHOULDER X-RAY	0.00075	4.07	0		347.33		
23412	REPAIR ROTATOR CUFF CHRONIC	0.00016	25.38	0		2,165.93		
23420	REPAIR OF SHOULDER	0.00006	28.87	1	3,001.31	2,463.77	0.1801	0.1478
23430	REPAIR BICEPS TENDON	0.00007	22.17	0		1,891.99		
23472	RECONSTRUCT SHOULDER JOINT	0.00008	44.83	0		3,825.79		

1/2012

IV-46



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no	Network Fee	Average Prevailing Charge = [Unit Values.x(B)]	Network Products = (A)x(C)x(D)	Average Prevailing Charge = Products = (A)x(C)x(E) Pricing Factor = (F) / ((G)
25447	REPAIR WRIST JOINT(S)	0.00009	24.64	0		2,102.78		
25600	TREAT FRACTURE RADIUS/ULNA	0.00086	8.42	0		718.56		
25605	TREAT FRACTURE RADIUS/ULNA	0.00021	18.26	0		1,558.31		
25609	TREAT FX RADIAL 3+ FRAG	0.00009	31.21	0		2,663.46		
26055	INCISE FINGER TENDON SHEATH	0.00049	15.93	0		1,359.47		
27096	INJECT SACROILIAC JOINT	0.00109	5.66	0		483.02		
27130	TOTAL HIP ARTHROPLASTY	0.00072	43.27	1	5,490.43	3,692.66	3.9531	2.6587
27134	REVISE HIP JOINT REPLACEMENT	0.00004	57.86	0		4,937.77		
27236	TREAT THIGH FRACTURE	0.00014	35.86	0		3,060.29		
27245	TREAT THIGH FRACTURE	0.00016	36.92	0		3,150.75		
27446	REVISION OF KNEE JOINT	0.00010	33.09	0		2,823.90		
27447	TOTAL KNEE ARTHROPLASTY	0.00143	46.19	1	5,964.67	3,941.85	8.5295	5.6369
27487	REVISE/REPLACE KNEE JOINT	0.00006	52.95	0		4,518.75		
27786	TREATMENT OF ANKLE FRACTURE	0.00037	9.15	0		780.86		
28285	REPAIR OF HAMMERTOE	0.00073	13.85	1	844.16	1,181.96	0.6162	0.8628
28296	CORRECTION OF BUNION	0.00046	20.98	1	1,982.36	1,790.43	0.9119	0.8236
28470	TREAT METATARSAL FRACTURE	0.00057	6.16	0		525.69		
29075	APPLICATION OF FOREARM CAST	0.00192	2.59	0		221.03		
29405	APPLY SHORT LEG CAST	0.00114	2.58	0		220.18		
29540	STRAPPING OF ANKLE AND/OR FT	0.00494	0.97	0		82.78		
29806	SHOULDER ARTHROSCOPY/SURGERY	0.00016	31.67	0		2,702.72		
29807	SHOULDER ARTHROSCOPY/SURGERY	0.00018	30.96	0		2,642.13		
29822	SHOULDER ARTHROSCOPY/SURGERY	0.00025	17.06	0		1,455.90		
29823	SHOULDER ARTHROSCOPY/SURGERY	0.00031	18.61	0		1,588.18		
29824	SHOULDER ARTHROSCOPY/SURGERY	0.00030	20.06	0		1,711.92		
29826	SHOULDER ARTHROSCOPY/SURGERY	0.00083	19.83	1	2,857.67	1,692.29	2.3719	1.4046
29827	ARTHROSCOP ROTATOR CUFF REPR	0.00049	32.17	0		2,745.39		
29848	WRIST ENDOSCOPY/SURGERY	0.00022	15.20	0		1,297.17		
29874	KNEE ARTHROSCOPY/SURGERY	0.00012	16.04	0		1,368.85		
29875	KNEE ARTHROSCOPY/SURGERY	0.00026	14.73	1	2,051.46	1,257.06	0.5334	0.3268
29876	KNEE ARTHROSCOPY/SURGERY	0.00024	19.58	1	2,448.46	1,670.96	0.5876	0.4010
29877	KNEE ARTHROSCOPY/SURGERY	0.00074	18.55	1	2,188.31	1,583.06	1.6194	1.1715
29879	KNEE ARTHROSCOPY/SURGERY	0.00024	19.78	0		1,688.03		
29880	KNEE ARTHROSCOPY/SURGERY	0.00063	20.61	1	3,008.08	1,758.86	1.8951	1.1081
29881	KNEE ARTHROSCOPY/SURGERY	0.00165	19.28	1	2,489.11	1,645.36	4.1070	2.7148
29882	KNEE ARTHROSCOPY/SURGERY	0.00010	20.86	0		1,780.19		
29888	KNEE ARTHROSCOPY/SURGERY	0.00046	29.57	1	4,403.72	2,523.50	2.0257	1.1608
30140	RESECT INFERIOR TURBINATE	0.00043	13.14	1	991.85	1,121.37	0.4265	0.4822
30520	REPAIR OF NASAL SEPTUM	0.00060	18.85	1	2,222.19	1,608.66	1.3333	0.9652
31231	NASAL ENDOSCOPY DX	0.00718	5.68	0		484.73		
31237	NASAL/SINUS ENDOSCOPY SURG	0.00140	9.73	0		830.36		
31255	REMOVAL OF ETHMOID SINUS	0.00029	12.39	0		1,057.36		

1/2012

IV-47

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no	Network Fee	Average Prevailing Charge = [Unit Values x (B)]	Network Products = (A)x(C)x(D)	Average Prevailing Charge Products = (A)x(C)x(E) Pricing Factor = (F) / ((G)
31276	SINUS ENDOSCOPY SURGICAL	0.00019	15.64	0		1,334.72		
31500	INSERT EMERGENCY AIRWAY	0.00066	3.28	0		279.92		
31575	DIAGNOSTIC LARYNGOSCOPY	0.00601	3.42	1	331.98	291.86	1.9952	1.7541
31579	DIAGNOSTIC LARYNGOSCOPY	0.00063	6.39	0		545.32		
33208	INSERTION OF HEART PACEMAKER	0.00029	15.35	0		1,309.97		
33249	ELTRD/INSERT PACE-DEFIB	0.00020	26.40	0		2,252.98		
33405	REPLACEMENT OF AORTIC VALVE	0.00011	70.07	1	6,016.17	5,979.77	0.6618	0.6578
33430	REPLACEMENT OF MITRAL VALVE	0.00003	86.25	1	5,760.08	7,360.58	0.1728	0.2208
33533	CABG ARTERIAL SINGLE	0.00031	57.49	0		4,906.20		
33534	CABG ARTERIAL TWO	0.00004	67.64	0		5,772.40		
35301	RECHANNELING OF ARTERY	0.00018	33.20	1	3,520.27	2,833.29	0.6336	0.5100
35474	REPAIR ARTERIAL BLOCKAGE	0.00010	28.57	0		2,438.16		
36000	PLACE NEEDLE IN VEIN	0.00199	0.69	1	86.7	58.88	0.1726	0.1172
36147	ACCESS AV DIAL GRFT FOR EVAL	0.00020	24.33	0		2,076.32		
36216	PLACE CATHETER IN ARTERY	0.00027	35.49	1	760.16	3,028.72	0.2052	0.8178
36217	PLACE CATHETER IN ARTERY	0.00018	57.96	0		4,946.31		
36247	PLACE CATHETER IN ARTERY	0.00020	52.54	0		4,483.76		
36415	ROUTINE VENIPUNCTURE	0.42693	0.15	1	8.	12.80	3.4729	5.4651
36416	CAPILLARY BLOOD DRAW	0.02858	0.15	0		12.80		
36471	INJECTION THERAPY OF VEINS	0.00130	5.19	0		442.91		
36475	ENDOVENOUS RF 1ST VEIN	0.00051	51.90	0		4,429.15		
36478	ENDOVENOUS LASER 1ST VEIN	0.00085	39.34	0		3,357.28		
36556	INSERT NON-TUNNEL CV CATH	0.00162	6.73	0		574.34		
36558	INSERT TUNNELED CV CATH	0.00033	22.38	0		1,909.91		
36561	INSERT TUNNELED CV CATH	0.00061	33.87	0		2,890.47		
36569	INSERT PICC CATH	0.00077	6.95	0		593.11		
36620	INSERTION CATHETER ARTERY	0.00267	1.54	1	250.67	131.42	0.6693	0.3509
37204	TRANSCATHETER OCCLUSION	0.00011	26.83	0		2,289.67		
37205	TRANSCATH IV STENT PERCUT	0.00022	117.82	0		10,054.76		
37620	REVISION OF MAJOR VEIN	0.00022	19.26	0		1,643.65		
37765	STAB PHLEB VEINS XTR 10-20	0.00021	19.92	0		1,699.97		
38221	BONE MARROW BIOPSY	0.00071	4.39	0		374.64		
38525	BIOPSY/REMOVAL LYMPH NODES	0.00023	12.89	0		1,100.03		
38571	LAPAROSCOPY LYMPHADENECTOMY	0.00005	23.28	0		1,986.72		
38724	REMOVAL OF LYMPH NODES NECK	0.00004	44.87	0		3,829.21		
42820	REMOVE TONSILS AND ADENOID	0.00062	8.98	1	902.42	766.35	0.5595	0.4751
42826	REMOVAL OF TONSILS	0.00032	7.77	1	917.33	663.09	0.2935	0.2122
43235	UPPR GI ENDOSCOPY DIAGNOSIS	0.00162	8.47	0		722.83		
43239	UPPER GI ENDOSCOPY BIOPSY	0.00892	9.86	1	807.58	841.45	7.2036	7.5058
43246	PLACE GASTROSTOMY TUBE	0.00026	7.59	0		647.73		
43248	UPPR GI ENDOSCOPY/GUIDE WIRE	0.00040	5.66	0		483.02		
43249	ESOPH ENDOSCOPY DILATION	0.00033	5.22	0		445.47		

1/2012

IV-48



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no	Network Fee	Average Prevailing Charge = [Unit Values.x(B)]	Network Products = (A)x(C)x(D)	Average Prevailing Charge = Products = (A)x(C)x(E) Pricing Factor = (F) / ((G)
43262	ENDO CHOLANGIOPANCREATOGRAPH	0.00022	12.87	0		1,098.33		
43264	ENDO CHOLANGIOPANCREATOGRAPH	0.00020	15.44	0		1,317.65		
43644	LAP GASTRIC BYPASS/ROUX-EN-Y	0.00020	51.74	0		4,415.49		
43770	LAP PLACE GASTR ADJ DEVICE	0.00015	33.31	0		2,842.68		
43775	LAP SLEEVE GASTRECTOMY	0.00006	38.24	0		3,263.40		
44005	FREEDING OF BOWEL ADHESION	0.00013	32.66	1	2,376.65	2,787.20	0.3090	0.3623
44120	REMOVAL OF SMALL INTESTINE	0.00012	36.54	0		3,118.32		
44140	PARTIAL REMOVAL OF COLON	0.00012	40.06	1	3,169.32	3,418.72	0.3803	0.4102
44160	REMOVAL OF COLON	0.00007	37.13	0		3,168.67		
44180	LAP ENTEROLYSIS	0.00012	27.46	0		2,343.44		
44204	LAPARO PARTIAL COLECTOMY	0.00009	46.14	0		3,937.59		
44207	L COLECTOMY/COLOPROCTOSTOMY	0.00007	54.89	0		4,684.31		
44970	LAPAROSCOPY APPENDECTOMY	0.00079	17.84	0		1,522.47		
45378	DIAGNOSTIC COLONOSCOPY	0.00883	11.40	1	910.55	972.88	8.0401	8.5905
45380	COLONOSCOPY AND BIOPSY	0.00752	13.58	0		1,158.92		
45381	COLONOSCOPY SUBMUCOUS INJ	0.00026	13.17	0		1,123.93		
45383	LESION REMOVAL COLONOSCOPY	0.00033	16.52	0		1,409.82		
45384	LESION REMOVE COLONOSCOPY	0.00122	13.58	0		1,158.92		
45385	LESION REMOVAL COLONOSCOPY	0.00446	15.33	1	1,289.95	1,308.26	5.7532	5.8348
46221	LIGATION OF HEMORRHOID(S)	0.00078	7.75	0		661.39		
46600	DIAGNOSTIC ANOSCOPY	0.00197	2.49	0		212.50		
47562	LAPAROSCOPIC CHOLECYSTECTOMY	0.00138	22.29	0		1,902.23		
47563	LAPARO CHOLECYSTECTOMY/GRAPH	0.00061	22.51	0		1,921.00		
49505	PRP I/HERN INIT REDUC >5 YR	0.00061	15.42	1	1,394.29	1,315.94	0.8505	0.8027
49560	RPR VENTRAL HERN INIT REDUC	0.00024	21.93	1	1,792.66	1,871.51	0.4302	0.4492
49585	RPR UMBIL HERN REDUC > 5 YR	0.00029	13.14	0		1,121.37		
49650	LAP ING HERNIA REPAIR INIT	0.00024	12.66	0		1,080.40		
50590	FRAGMENTING OF KIDNEY STONE	0.00062	21.94	1	2,677.47	1,872.36	1.6600	1.1609
51720	TREATMENT OF BLADDER LESION	0.00080	3.12	0		266.26		
51728	CYSTOMETROGRAM W/WP	0.00053	8.93	0		762.09		
51729	CYSTOMETROGRAM W/WP&UP	0.00094	9.78	0		834.63		
51741	ELECTRO-UROFLOWMETRY FIRST	0.00372	0.94	0		80.22		
51784	ANAL/URINARY MUSCLE STUDY	0.00114	5.56	0		474.49		
51797	INTRAABDOMINAL PRESSURE TEST	0.00133	3.13	0		267.11		
51798	US URINE CAPACITY MEASURE	0.00996	0.51	0		43.52		
52000	CYSTOSCOPY	0.00504	5.75	1	333.33	490.71	1.6800	2.4732
52224	CYSTOSCOPY AND TREATMENT	0.00022	16.58	0		1,414.94		
52281	CYSTOSCOPY AND TREATMENT	0.00054	7.41	0		632.37		
52310	CYSTOSCOPY AND TREATMENT	0.00066	6.72	0		573.48		
52332	CYSTOSCOPY AND TREATMENT	0.00077	13.64	0		1,164.04		
52352	CYSTOURETERO W/STONE REMOVE	0.00019	10.85	0		925.94		
52353	CYSTOURETERO W/LITHOTRIPSY	0.00036	12.46	0		1,063.34		

1/2012

IV-49

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no	Network Fee	Average Prevailing Charge = [Unit Values]x(B)	Network Products = (A)x(C)x(D)	Average Prevailing Charge Products = (A)x(C)x(E) Pricing Factor = (F) / ((G)
52601	PROSTATECTOMY (TURP)	0.00014	24.80	1	2,544.68	2,116.43	0.3563	0.2963
52648	LASER SURGERY OF PROSTATE	0.00009	50.81	0		4,336.13		
53850	PROSTATIC MICROWAVE THERMOTX	0.00006	54.27	0		4,631.40		
54150	CIRCUMCISION W/REGIONAL BLOCK	0.00275	4.46	1	157.18	380.62	0.4323	1.0467
55250	REMOVAL OF SPERM DUCT(S)	0.00120	10.98	1	573.16	937.03	0.6878	1.1244
55700	BIOPSY OF PROSTATE	0.00142	6.19	1	346.88	528.25	0.4926	0.7501
55845	EXTENSIVE PROSTATE SURGERY	0.00004	48.17	1	4,723.51	4,110.83	0.1889	0.1644
55866	LAPARO RADICAL PROSTATECTOMY	0.00017	51.14	0		4,364.29		
57288	REPAIR BLADDER DEFECT	0.00046	20.87	0		1,781.05		
57454	BX/CURETT OF CERVIX W/SCOPE	0.00347	4.57	1	323.84	390.00	1.1237	1.3533
58100	BIOPSY OF UTERUS LINING	0.00354	3.24	1	176.14	276.50	0.6236	0.9788
58150	TOTAL HYSTERECTOMY	0.00050	30.18	1	3,154.43	2,575.56	1.5772	1.2878
58260	VAGINAL HYSTERECTOMY	0.00018	25.02	1	3,040.60	2,135.21	0.5473	0.3843
58300	INSERT INTRAUTERINE DEVICE	0.00254	2.02	0		172.39		
58301	REMOVE INTRAUTERINE DEVICE	0.00132	2.81	0		239.81		
58340	CATHETER FOR HYSTEROGRAPHY	0.00206	3.33	0		284.18		
58550	LAPARO-ASST VAG HYSTERECTOMY	0.00012	26.71	0		2,279.43		
58552	LAPARO-VAG HYST INCL T/O	0.00014	29.65	0		2,530.33		
58558	HYSTEROSCOPY BIOPSY	0.00114	11.60	0		989.94		
58563	HYSTEROSCOPY ABLATION	0.00078	46.24	0		3,946.12		
58565	HYSTEROSCOPY STERILIZATION	0.00023	52.05	0		4,441.95		
58571	TLH W/TO 250 G OR LESS	0.00014	31.26	0		2,667.73		
58611	LIGATE OVIDUCT(S) ADD-ON	0.00036	2.36	0		201.40		
58660	LAPAROSCOPY LYSIS	0.00010	20.36	0		1,737.52		
58661	LAPAROSCOPY REMOVE ADNEXA	0.00027	19.49	0		1,663.28		
58662	LAPAROSCOPY EXCISE LESIONS	0.00026	21.32	0		1,819.45		
58970	RETRIEVAL OF OOCYTE	0.00022	6.34	0		541.06		
59025	FETAL NON-STRESS TEST	0.00901	1.41	1	138.21	120.33	1.2453	1.0842
59400	OBSTETRICAL CARE	0.00478	57.26	1	2,817.02	4,886.57	13.4654	23.3578
59409	OBSTETRICAL CARE	0.00019	22.37	0		1,909.06		
59410	OBSTETRICAL CARE	0.00037	28.51	0		2,433.04		
59425	ANTEPARTUM CARE ONLY	0.00051	12.50	0		1,066.75		
59426	ANTEPARTUM CARE ONLY	0.00055	22.34	0		1,906.50		
59510	CESAREAN DELIVERY	0.00276	63.44	1	3,318.37	5,413.97	9.1587	14.9426
59514	CESAREAN DELIVERY ONLY	0.00015	25.21	0		2,151.42		
59515	CESAREAN DELIVERY	0.00020	34.60	0		2,952.76		
59610	VBAC DELIVERY	0.00008	60.14	0		5,132.35		
59820	CARE OF MISCARRIAGE	0.00042	11.29	1	780.48	963.49	0.3278	0.4047
59840	ABORTION	0.00023	6.47	1	891.59	552.15	0.2051	0.1270
60220	PARTIAL REMOVAL OF THYROID	0.00012	23.39	0		1,996.10		
60240	REMOVAL OF THYROID	0.00013	29.44	0		2,512.41		
60500	EXPLORE PARATHYROID GLANDS	0.00008	30.80	0		2,628.47		

1/2012

IV-50

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no	Network Fee	Average Prevailing Charge = [Unit Values.x(B)]	Network Products = (A)x(C)x(D)	Average Prevailing Charge = Products = (A)x(C)x(E) Pricing Factor = (F) / ((G))
61510	REMOVAL OF BRAIN LESION	0.00007	65.19	1	7,058.16	5,563.31	0.4941	0.3894
61795	BRAIN SURGERY USING COMPUTER	0.00032	16.60	0		1,416.64		
62270	SPINAL FLUID TAP DIAGNOSTIC	0.00082	4.45	1	181.56	379.76	0.1489	0.3114
62284	INJECTION FOR MYELOGRAM	0.00034	5.88	1	518.96	501.80	0.1764	0.1706
62290	INJECT FOR SPINE DISK X-RAY	0.00024	9.93	0		847.43		
62310	INJECT SPINE C/T	0.00164	7.20	0		614.45		
62311	INJECT SPINE L/S (CD)	0.00442	6.01	0		512.89		
62318	INJECT SPINE W/CATH C/T	0.00026	7.16	0		611.03		
63030	LOW BACK DISK SURGERY	0.00045	28.89	1	3,930.83	2,465.47	1.7689	1.1095
63042	LAMINOTOMY SINGLE LUMBAR	0.00012	38.87	1	4,598.84	3,317.17	0.5519	0.3981
63045	REMOVAL OF SPINAL LAMINA	0.00004	37.96	1	4,753.32	3,239.51	0.1901	0.1296
63047	REMOVAL OF SPINAL LAMINA	0.00048	32.82	0		2,800.86		
63048	REMOVE SPINAL LAMINA ADD-ON	0.00063	6.45	0		550.44		
63056	DECOMPRESS SPINAL CORD	0.00006	44.32	0		3,782.27		
63075	NECK SPINE DISK SURGERY	0.00042	41.05	1	4,059.56	3,503.21	1.7050	1.4713
63076	NECK SPINE DISK SURGERY	0.00027	7.57	0		646.02		
63081	REMOVAL OF VERTEBRAL BODY	0.00008	53.09	0		4,530.70		
63650	IMPLANT NEUROELECTRODES	0.00014	13.09	0		1,117.10		
64415	N BLOCK INJ BRACHIAL PLEXUS	0.00122	3.48	0		296.98		
64447	N BLOCK INJ FEM SINGLE	0.00075	3.50	0		298.69		
64450	N BLOCK OTHER PERIPHERAL	0.00243	3.10	0		264.55		
64479	INJ FORAMEN EPIDURAL C/T	0.00040	7.31	0		623.84		
64483	INJ FORAMEN EPIDURAL L/S	0.00418	6.36	0		542.76		
64484	INJ FORAMEN EPIDURAL ADD-ON	0.00207	2.68	0		228.71		
64490	INJ PARAVERTE F JNT C/T 1 LEV	0.00072	5.78	0		493.27		
64491	INJ PARAVERTE F JNT C/T 2 LEV	0.00060	2.86	0		244.07		
64493	INJ PARAVERTE F JNT L/S 1 LEV	0.00166	5.15	0		439.50		
64494	INJ PARAVERTE F JNT L/S 2 LEV	0.00137	2.58	0		220.18		
64495	INJ PARAVERTE F JNT L/S 3 LEV	0.00085	2.62	0		223.59		
64622	DESTR PARAVERTEBRAL NERVE L/S	0.00060	10.25	0		874.74		
64623	DESTR PARAVERTEBRAL N ADD-ON	0.00113	3.83	0		326.85		
64640	INJECTION TREATMENT OF NERVE	0.00072	6.31	0		538.50		
64718	REVISE ULNAR NERVE AT ELBOW	0.00017	17.61	0		1,502.84		
64721	CARPAL TUNNEL SURGERY	0.00085	12.66	1	1,318.41	1,080.40	1.1206	0.9183
65855	LASER SURGERY OF EYE	0.00063	10.08	0		860.23		
66761	REVISION OF IRIS	0.00046	8.67	0		739.90		
66821	AFTER CATARACT LASER SURGERY	0.00179	9.70	1	1,093.48	827.80	1.9573	1.4818
66982	CATARACT SURGERY COMPLEX	0.00042	31.99	0		2,730.03		
66984	CATARACT SURG W/IOL 1 STAGE	0.00518	22.98	0		1,961.11		
67028	INJECTION EYE DRUG	0.00482	3.06	0		261.14		
67042	VIT FOR MACULAR HOLE	0.00009	45.75	0		3,904.31		
67108	REPAIR DETACHED RETINA	0.00010	48.34	0		4,125.34		

1/2012

IV-51

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)	Pricing Factor = (F) / ((G))
		Relative Frequency	RBRVS Value Unit	Include in Comparison 1=yes 0=no	Network Fee	Average Prevailing Charge = [Unit Values.x(B) 4,493.15	Network Products = (A)x(C)x(D) 0.8413	Average Prevailing Charge Products = (A)x(C)x(E) 153.5027	
67113	REPAIR RETINAL DETACH CPLX	0.00006	52.65	0		1,331.30			
67145	TREATMENT OF RETINA	0.00031	15.60	0		1,771.66	1.0208	1.0807	
67210	TREATMENT OF RETINAL LESION	0.00061	20.76	1	1,673.41	2,933.99	0.8413	1.3790	
67228	TREATMENT OF RETINAL LESION	0.00047	34.38	1	1,789.95	1,864.68			
67904	REPAIR EYELID DEFECT	0.00014	21.85	0		366.11			
68761	CLOSE TEAR DUCT OPENING	0.00188	4.29	0		130.57	0.7243	1.6230	
69210	REMOVE IMPACTED EAR WAX	0.01243	1.53	1	58.2	419.87	0.6219	0.4535	
69436	CREATE EARDRUM OPENING	0.00108	4.92	1	575.87				
	Surgery - Total	1.00000	3.5946				122.6963	153.5027	79.9%
Radiology-Total(Includesprofessionalandtechnicalcomponents)									
70450	CT HEAD/BRAIN W/O DYE	0.03427	4.74	0		705.22			
70486	CT MAXILLOFACIAL W/O DYE	0.00830	6.58	0		978.97			
70544	MR ANGIOGRAPHY HEAD W/O DYE	0.00362	13.20	0		1,963.90			
70551	MRI BRAIN W/O DYE	0.00819	12.36	0		1,838.92			
70553	MRI BRAIN W/O & W/DYE	0.01423	16.19	1	2,273.19	2,408.75	32.3475	34.2765	
71010	CHEST X-RAY	0.09145	0.66	1	110.85	98.19	10.1377	8.9799	
71020	CHEST X-RAY	0.14218	0.86	1	130.13	127.95	18.5018	18.1920	
71250	CT THORAX W/O DYE	0.00893	6.00	0		892.68			
71260	CT THORAX W/DYE	0.01594	7.53	0		1,120.31			
71275	CT ANGIOGRAPHY CHEST	0.00507	11.45	0		1,703.53			
72125	CT NECK SPINE W/O DYE	0.00516	6.05	0		900.12			
72141	MRI NECK SPINE W/O DYE	0.00898	11.03	0		1,641.04			
72146	MRI CHEST SPINE W/O DYE	0.00233	11.04	0		1,642.53			
72148	MRI LUMBAR SPINE W/O DYE	0.01582	10.85	1	1,807.30	1,614.26	28.5915	25.5376	
72156	MRI NECK SPINE W/O & W/DYE	0.00189	16.22	0		2,413.21			
72158	MRI LUMBAR SPINE W/O & W/DYE	0.00311	15.88	0		2,362.63			
72192	CT PELVIS W/O DYE	0.01843	5.84	0		868.88			
72193	CT PELVIS W/DYE	0.02777	7.11	0		1,057.83			
72194	CT PELVIS W/O & W/DYE	0.00570	9.08	0		1,350.92			
73221	MRI JOINT UPR EXTREM W/O DYE	0.00974	11.58	0		1,722.87			
73630	X-RAY EXAM OF FOOT	0.04844	0.91	1	112.46	135.39	5.4474	6.5583	
73718	MRI LOWER EXTREMITY W/O DYE	0.00268	12.08	0		1,797.26			
73721	MRI JNT OF LWR EXTRE W/O DYE	0.01975	11.84	1	1,752.68	1,761.56	34.6155	34.7907	
74150	CT ABDOMEN W/O DYE	0.01830	5.98	0		889.70			
74160	CT ABDOMEN W/DYE	0.02674	8.18	1	1,219.33	1,217.02	32.6049	32.5431	
74170	CT ABDOMEN W/O & W/DYE	0.01060	10.84	0		1,612.78			
74183	MRI ABDOMEN W/O & W/DYE	0.00233	16.62	0		2,472.72			
76645	US EXAM BREAST(S)	0.02805	2.79	0		415.10			
76700	US EXAM ABDOM COMPLETE	0.01866	4.02	1	427.33	598.10	7.9739	11.1605	
76770	US EXAM ABDO BACK WALL COMP	0.01190	3.78	0		562.39			
76805	OB US >= 14 WKS SNGL FETUS	0.01297	4.26	1	334.14	633.80	4.3338	8.2204	

1/2012

IV-52



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	
CPT	Description	Relative	RBRVS	Include in	Network	Average	Network	Average	Pricing
		Frequency	Relative	Comparison		Prevailing	Products =	Prevailing	
			Value Unit	1=yes 0=no	Fee	Charge = [Unit Values x (B)]	(A)x(C)x(D)	Products = (A)x(C)x(E)	(F) / ((G)
76811	OB US DETAILED SNGL FETUS	0.00678	5.38	0		800.44			
76817	TRANSVAGINAL US OBSTETRIC	0.01615	2.94	0		437.41			
76830	TRANSVAGINAL US NON-OB	0.04552	3.61	1	377.54	537.10	17.1854	24.4486	
76856	US EXAM PELVIC COMPLETE	0.02939	3.58	1	329.34	532.63	9.6792	15.6541	
76942	ECHO GUIDE FOR BIOPSY	0.01828	5.68	0		845.07			
77003	FLUOROGUIDE FOR SPINE INJECT	0.02250	1.88	0		279.71			
77014	CT SCAN FOR THERAPY GUIDE	0.00805	5.41	0		804.90			
77052	COMP SCREEN MAMMOGRAM ADD-ON	0.09831	0.28	0		41.66			
77057	MAMMOGRAM SCREENING	0.02199	2.25	0		334.76			
77059	MRI BOTH BREASTS	0.00214	17.67	0		2,628.94			
77080	DXA BONE DENSITY AXIAL	0.03421	2.87	0		427.00			
77290	SET RADIATION THERAPY FIELD	0.00306	15.32	0		2,279.31			
77295	SET RADIATION THERAPY FIELD	0.00132	12.76	0		1,898.43			
77334	RADIATION TREATMENT AID(S)	0.00818	4.17	0		620.41			
77418	RADIATION TX DELIVERY IMRT	0.00891	13.28	0		1,975.80			
77421	STEREOSCOPIC X-RAY GUIDANCE	0.00881	2.85	0		424.02			
77427	RADIATION TX MANAGEMENT X5	0.00862	5.33	0		793.00			
78452	HT MUSCLE IMAGE SPECT MULT	0.02235	14.06	0		2,091.85			
78815	PET IMAGE W/CT SKULL-THIGH	0.00390	16.63	0		2,474.21			
	Radiology - Total	1.00000	4.3561				201.4186	220.3618	91.4%
Pathology									
80048	METABOLIC PANEL TOTAL CA	0.01578	0.78	0		43.91			
80050	GENERAL HEALTH PANEL	0.03745	1.78	1	57.9	100.21	2.1715	3.7530	
80053	COMPREHEN METABOLIC PANEL	0.06135	0.91	0		51.23			
80061	LIPID PANEL	0.08096	1.04	1	40.2	58.55	3.2577	4.7404	
80076	HEPATIC FUNCTION PANEL	0.01049	0.81	0		45.60			
80101	DRUG SCREEN SINGLE	0.03155	1.23	0		69.25			
81001	URINALYSIS AUTO W/SCOPE	0.02605	0.37	0		20.83			
81002	URINALYSIS NONAUTO W/O SCOPE	0.04120	0.29	0		16.33			
81003	URINALYSIS AUTO W/O SCOPE	0.02705	0.31	0		17.45			
82043	MICROALBUMIN QUANTITATIVE	0.00794	1.14	0		64.18			
82306	VITAMIN D 25 HYDROXY	0.02558	2.43	0		136.81			
82607	VITAMIN B-12	0.01084	1.30	0		73.19			
82670	ASSAY OF ESTRADIOL	0.00577	1.53	0		86.14			
82728	ASSAY OF FERRITIN	0.00828	1.20	0		67.56			
82746	BLOOD FOLIC ACID SERUM	0.00623	1.33	0		74.88			
83001	GONADOTROPIN (FSH)	0.00532	1.62	0		91.21			
83036	GLYCOSYLATED HEMOGLOBIN TEST	0.03545	0.88	0		49.54			
83901	MOLECULE NUCLEIC AMPLI ADDON	0.01626	2.01	0		113.16			
83914	MUTATION IDENT OLA/SBCE/ASPE	0.02600	2.01	0		113.16			
84153	ASSAY OF PSA TOTAL	0.02027	1.56	0		87.83			

1/2012

IV-53

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no	Network Fee	Average Prevailing Charge = [Unit Values x (B)]	Network Products = (A)x(C)x(D)	Average Prevailing Charge = Products = (A)x(C)x(E) Pricing Factor = (F) / ((G)
84403	ASSAY OF TOTAL TESTOSTERONE	0.00763	1.46	0		82.20		
84439	ASSAY OF FREE THYROXINE	0.02214	0.91	0		51.23		
84443	ASSAY THYROID STIM HORMONE	0.03902	1.30	1	54.4	73.19	2.1245	2.8559
84480	ASSAY TRIIODOTHYRONINE (T3)	0.00493	1.30	0		73.19		
84481	FREE ASSAY (FT-3)	0.00515	1.72	0		96.84		
84702	CHORIONIC GONADOTROPIN TEST	0.00695	1.23	1	52.0	69.25	0.3619	0.4813
85025	COMPLETE CBC W/AUTO DIFF WBC	0.07550	0.60	1	15.3	33.78	1.1620	2.5504
85610	PROTHROMBIN TIME	0.02230	0.39	0		21.96		
86003	ALLERGEN SPECIFIC IGE	0.04045	0.36	0		20.27		
86703	HIV-1/HIV-2 SINGLE ASSAY	0.00828	1.30	0		73.19		
87070	CULTURE BACTERIA OTHER	0.01028	0.88	0		49.54		
87086	URINE CULTURE/COLONY COUNT	0.01939	0.81	1	22.4	45.60	0.4360	0.8842
87491	CHYLM D TRACH DNA AMP PROBE	0.01329	2.34	0		131.74		
87591	N.GONORRHOEAE DNA AMP PROB	0.01296	2.60	0		146.38		
87621	HPV DNA AMP PROBE	0.01468	2.60	0		146.38		
87798	DETECT AGENT NOS DNA AMP	0.00390	2.60	0		146.38		
87880	STREP A ASSAY W/OPTIC	0.03010	1.14	0		64.18		
88112	CYTOPATH CELL ENHANCE TECH	0.00276	2.90	0		163.27		
88141	CYTOPATH C/V INTERPRET	0.00498	0.87	0		48.98		
88142	CYTOPATH C/V THIN LAYER	0.00971	0.55	0		30.97		
88173	CYTOPATH EVAL FNA REPORT	0.00126	3.98	0		224.07		
88175	CYTOPATH C/V AUTO FLUID REDO	0.03253	0.63	0		35.47		
88185	FLOWCYTOMETRY/TC ADD-ON	0.00573	1.40	0		78.82		
88304	TISSUE EXAM BY PATHOLOGIST	0.00647	1.68	1	73.3	94.58	0.4747	0.6120
88305	TISSUE EXAM BY PATHOLOGIST	0.07241	2.95	1	106.52	166.09	7.7130	12.0262
88307	TISSUE EXAM BY PATHOLOGIST	0.00437	6.71	1	171.61	377.77	0.7499	1.6509
88312	SPECIAL STAINS GROUP 1	0.00538	3.08	0		173.40		
88313	SPECIAL STAINS GROUP 2	0.00523	2.21	0		124.42		
88342	IMMUNOHISTOCHEMISTRY	0.01094	3.00	0		168.90		
88367	INSITU HYBRIDIZATION AUTO	0.00146	7.42	0		417.75		
	Pathology - Total	1.00000	1.2991				18.4512	29.5542 62.4%
Medicine								
90471	IMMUNIZATION ADMIN	0.02162	0.68	0		42.74		
90649	HPV VACCINE 4 VALENT IM	0.00133	3.30	0		207.41		
90658	FLU VACCINE 3 YRS & > IM	0.01002	0.40	0		25.14		
90680	ROTOVIRUS VACC 3 DOSE ORAL	0.00198	1.95	0		122.56		
90698	DTAP-HIB-IP VACCINE IM	0.00177	1.95	0		122.56		
90716	CHICKEN POX VACCINE SC	0.00264	1.91	0		120.04		
90734	MENINGOCOCCAL VACCINE IM	0.00137	2.48	0		155.87		
90801	PSY DX INTERVIEW	0.00358	4.46	0		280.31		
90805	PSYTX OFF 20-30 MIN W/E&M	0.00261	2.12	0		133.24		

1/2012

IV-54

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1=yes 0=no		Average Prevailing Charge = [Unit Values.x(B)	Network Products = (A)x(C)x(D)	Average Prevailing Charge Products = (A)x(C)x(E) Pricing Factor = (F) / ((G)
90806	PSYTX OFF 45-50 MIN	0.02724	2.39	0		150.21		
90807	PSYTX OFF 45-50 MIN W/E&M	0.00298	2.93	0		184.15		
90847	FAMILY PSYTX W/PATIENT	0.00256	2.99	0		187.92		
90862	MEDICATION MANAGEMENT	0.00460	1.72	0		108.10		
92004	EYE EXAM NEW PATIENT	0.00281	4.30	1	113.49	270.26	0.3189	0.7594
92012	EYE EXAM ESTABLISHED PAT	0.00479	2.46	1	78.2	154.61	0.3747	0.7406
92014	EYE EXAM & TREATMENT	0.00849	3.58	1	96.6	225.00	0.8203	1.9103
92015	REFRACTION	0.00517	0.59	0		37.08		
92083	VISUAL FIELD EXAMINATION(S)	0.00227	2.59	0		162.78		
92135	OPHTH DX IMAGING POST SEG	0.00484	2.00	0		125.70		
92507	SPEECH/HEARING THERAPY	0.00242	2.06	1	56.7	129.47	0.1373	0.3133
92980	INSERT INTRACORONARY STENT	0.00017	24.02	0		1,509.66		
93000	ELECTROCARDIOGRAM COMPLETE	0.01433	0.51	1	85.9	32.05	1.2309	0.4593
93010	ELECTROCARDIOGRAM REPORT	0.00742	0.25	1	42.9	15.71	0.3186	0.1166
93015	CARDIOVASCULAR STRESS TEST	0.00178	2.36	1	496.90	148.33	0.8845	0.2640
93306	TTE W/DOPPLER COMPLETE	0.00471	5.36	0		336.88		
93320	DOPPLER ECHO EXAM HEART	0.00062	1.28	1	299.07	80.45	0.1854	0.0499
93325	DOPPLER COLOR FLOW ADD-ON	0.00083	0.56	1	211.65	35.20	0.1757	0.0292
93350	STRESS TTE ONLY	0.00024	5.70	0		358.25		
93351	STRESS TTE COMPLETE	0.00045	6.57	0		412.92		
93510	LEFT HEART CATHETERIZATION	0.00047	52.11	1	1,110.38	3,275.11	0.5219	1.5393
93526	RT & LT HEART CATHETERS	0.00006	65.14	0		4,094.05		
93555	IMAGING CARDIAC CATH	0.00052	9.12	0		573.19		
93556	IMAGING CARDIAC CATH	0.00059	15.20	0		955.32		
93880	EXTRACRANIAL STUDY	0.00167	6.88	0		432.41		
93925	LOWER EXTREMITY STUDY	0.00029	8.73	0		548.68		
93970	EXTREMITY STUDY	0.00106	7.22	0		453.78		
93971	EXTREMITY STUDY	0.00129	4.71	0		296.02		
93975	VASCULAR STUDY	0.00031	10.49	0		659.30		
94010	BREATHING CAPACITY TEST	0.00269	1.02	1	81.2	64.11	0.2187	0.1724
94060	EVALUATION OF WHEEZING	0.00155	1.76	1	124.24	110.62	0.1926	0.1715
95004	PERCUT ALLERGY SKIN TESTS	0.04565	0.19	1	138.03	11.94	6.3013	0.5451
95117	IMMUNOTHERAPY INJECTIONS	0.01016	0.32	1	18.4	20.11	0.1870	0.2043
95810	POLYSOMNOGRAPHY 4 OR MORE	0.00069	17.25	0		1,084.16		
95811	POLYSOMNOGRAPHY W/CAPAP	0.00060	18.10	0		1,137.59		
95900	MOTOR NERVE CONDUCTION TEST	0.00180	1.88	1	105.82	118.16	0.1905	0.2127
95903	MOTOR NERVE CONDUCTION TEST	0.00278	2.18	0		137.01		
95904	SENSE NERVE CONDUCTION TEST	0.00507	1.64	1	105.82	103.07	0.5365	0.5226
96372	THER/PROPH/DIAG INJ SC/IM	0.01132	0.68	0		42.74		
96413	CHEMO IV INFUSION 1 HR	0.00215	3.75	0		235.69		
97001	PT EVALUATION	0.00416	2.17	0		136.38		
97010	HOT OR COLD PACKS THERAPY	0.00965	0.17	1	15.3	10.68	0.1480	0.1031

1/2012

IV-55

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

### Network Physician Fee Analysis Example

CPT	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Relative Frequency	RBRVS Relative Value Unit	Include in Comparison 1-yes 0-no	Network Fee	Average Prevailing Charge = [Unit Values.x(B)	Network Products = (A)x(C)x(D)	Average Prevailing Charge = Products = (A)x(C)x(E) Pricing Factor = (F) / ((G)
97012	MECHANICAL TRACTION THERAPY	0.01276	0.46	0		28.91		
97014	ELECTRIC STIMULATION THERAPY	0.01291	0.45	1	16.8	28.28	0.2179	0.3651
97032	ELECTRICAL STIMULATION	0.00660	0.54	0		33.94		
97035	ULTRASOUND THERAPY	0.01035	0.36	1	15.3	22.63	0.1587	0.2342
97110	THERAPEUTIC EXERCISES	0.08892	0.91	0		57.19		
97112	NEUROMUSCULAR REEDUCATION	0.01686	0.95	0		59.71		
97124	MASSAGE THERAPY	0.00734	0.74	0		46.51		
97140	MANUAL THERAPY	0.04889	0.85	0		53.42		
97530	THERAPEUTIC ACTIVITIES	0.01791	0.99	0		62.22		
98940	CHIROPRACTIC MANIPULATION	0.01713	0.76	0		47.77		
98941	CHIROPRACTIC MANIPULATION	0.02995	1.07	0		67.25		
98942	CHIROPRACTIC MANIPULATION	0.00303	1.37	0		86.10		
99202	OFFICE/OUTPATIENT VISIT NEW	0.00883	2.16	1	84.3	135.76	0.7448	1.1987
99203	OFFICE/OUTPATIENT VISIT NEW	0.02098	3.13	1	110.42	196.72	2.3166	4.1272
99204	OFFICE/OUTPATIENT VISIT NEW	0.01086	4.80	1	159.50	301.68	1.7322	3.2762
99205	OFFICE/OUTPATIENT VISIT NEW	0.00304	5.95	1	214.72	373.96	0.6527	1.1368
99211	OFFICE/OUTPATIENT VISIT EST	0.00779	0.56	1	39.8	35.20	0.3107	0.2742
99212	OFFICE/OUTPATIENT VISIT EST	0.02613	1.24	1	56.7	77.93	1.4829	2.0364
99213	OFFICE/OUTPATIENT VISIT EST	0.16689	2.09	1	72.0	131.36	12.0285	21.9221
99214	OFFICE/OUTPATIENT VISIT EST	0.09913	3.08	1	105.82	193.58	10.4898	19.1894
99215	OFFICE/OUTPATIENT VISIT EST	0.01150	4.15	1	170.25	260.83	1.9579	2.9995
99222	INITIAL HOSPITAL CARE	0.00249	4.03	1	242.32	253.29	0.6034	0.6307
99223	INITIAL HOSPITAL CARE	0.00407	5.92	1	297.53	372.07	1.2110	1.5143
99231	SUBSEQUENT HOSPITAL CARE	0.00485	1.15	1	95.0	72.28	0.4611	0.3505
99232	SUBSEQUENT HOSPITAL CARE	0.01793	2.10	1	128.82	131.99	2.3098	2.3665
99233	SUBSEQUENT HOSPITAL CARE	0.00886	3.02	1	190.17	189.81	1.6849	1.6817
99238	HOSPITAL DISCHARGE DAY	0.00284	2.09	1	111.96	131.36	0.3180	0.3731
99239	HOSPITAL DISCHARGE DAY	0.00158	3.10	0		194.84		
99242	OFFICE CONSULTATION	0.00149	2.58	1	150.30	162.15	0.2239	0.2416
99243	OFFICE CONSULTATION	0.00609	3.52	1	191.71	221.23	1.1675	1.3473
99244	OFFICE CONSULTATION	0.00677	5.20	1	251.52	326.82	1.7028	2.2126
99245	OFFICE CONSULTATION	0.00225	6.36	1	317.47	399.73	0.7143	0.8994
99254	INPATIENT CONSULTATION	0.00109	4.70	1	276.07	295.40	0.3009	0.3220
99255	INPATIENT CONSULTATION	0.00060	5.68	1	346.61	356.99	0.2080	0.2142
99283	EMERGENCY DEPT VISIT	0.00409	1.83	1	173.31	115.02	0.7088	0.4704
99284	EMERGENCY DEPT VISIT	0.00415	3.45	1	259.19	216.83	1.0756	0.8999
99285	EMERGENCY DEPT VISIT	0.00405	5.01	1	386.49	314.88	1.5653	1.2753
99291	CRITICAL CARE FIRST HOUR	0.00193	7.86	1	427.90	494.00	0.8258	0.9534
99385	PREV VISIT NEW AGE 18-39	0.00218	3.19	1	138.03	200.49	0.3009	0.4371
99386	PREV VISIT NEW AGE 40-64	0.00161	3.71	1	151.83	233.17	0.2444	0.3754
99391	PER PM REEVAL EST PAT INF	0.00513	2.31	1	67.4	145.18	0.3462	0.7448
99392	PREV VISIT EST AGE 1-4	0.00567	2.57	1	72.0	161.52	0.4087	0.9158

1/2012

IV-56



# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Network Physician Fee Analysis Example

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	
		Relative	RBRVS	Include in		Average	Network	Average	Pricing
		Frequency	Value Unit	Comparison	Network	Prevailing	Products =	Prevailing	Factor =
				1-yes	Fee	Charge =	(A)x(C)x(D)	Charge =	(F) / ((G)
				0-no		[Unit		Products =	
						Values.x(B)		(A)x(C)x(E)	
CPT	Description								
99393	PREV VISIT EST AGE 5-11	0.00497	2.56	1	78.2	160.90	0.3888	0.7997	
99394	PREV VISIT EST AGE 12-17	0.00396	2.80	0		175.98			
99395	PREV VISIT EST AGE 18-39	0.00817	2.81	1	115.03	176.61	0.9398	1.4429	
99396	PREV VISIT EST AGE 40-64	0.01405	3.07	1	125.75	192.95	1.7669	2.7109	
99469	NEONATE CRIT CARE SUBSQ	0.00031	11.91	0		748.54			
99472	PED CRITICAL CARE SUBSQ	0.00025	11.75	0		738.49			
99479	IC LBW INF 1500-2500 G SUBSQ	0.00060	3.88	0		243.86			
Medicine - Total		1.00000	1.9505				64.3124	88.0529	73.0%

1/2012

IV-57

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### *Worksheet 4 – Example*

Contracted Network Location: Kansas City – ZIP 641

Calculation of Network Pricing Factor — All Services

	(A)	(B)	(C)
Provider Category	Pricing Factor	Weight*	Weighted Factor (A*B)
1. Hospital Pricing Factor (From Worksheet 2)	<u>78.22%</u>	<u>70.00%</u>	<u>54.75%</u>
2. Physician Pricing Factor (From Worksheet 3)	<u>77.06%</u>	<u>24.00%</u>	<u>18.49%</u>
3. Other:			
Outpatient RX	<u>100.00%</u>		<u>          </u>
Other Miscellaneous	<u>100.00%</u>		<u>          </u>
Additional Other	<u>100.00%</u>		<u>          </u>
Subtotal Other	<u>100.00%</u>	<u>6.00%</u>	<u>6.00%</u>
4. Subtotal (lines 1 + 2 + 3)		<u>100.00%</u>	<u>79.24%</u>
5. Total In-Network Pricing Factor (4(C)/4(B))			<u>79.24%</u>
6. Network Savings/Discount (100%-5(C))			<u>20.76%</u>

\*Default Weight from Table Z

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Instructions

#### Worksheet 4

- Step 1: The hospital pricing factor from Worksheet 2 should be entered on Line 1, Column A.
- Step 2: The physician pricing factor from Worksheet 3 should be entered on Line 2, Column A.
- Step 3: The negotiated pricing factor for any other services (appropriate for the expected deductible level) should be entered on Line(s) 3, Column A.
- Step 4: Service category weights for stop loss claims are provided in Column B. Network specific, or local area book of business specific, or client specific weights should be substituted for the default weights (Table Z: Note that weights vary by deductible level), if they are available.
- Step 5: Calculate the weighted average for each provider category (Column C) by multiplying the pricing factor (Column A) by the weight (Column B). Zeros should be substituted for both the weights (Column B) and the weighted average (Column C) in service categories where no data is available.
- Step 6: Subtotal the weights (Column B) and the weighted average (Column C) on Line 4. The weights will not add to 100% if some services were zeroed in Step 5 (this will be reflected in Step 7).
- Step 7: Divide the subtotal weighted average (Column C, Line 4) by the subtotal weights (Column B, Line 4) to calculate the in-network pricing factor (Line 5).
- Step 8: Calculate the in-network Savings/Discount (Line 6) by subtracting the in-network pricing factor (Line 5) from 100%.

#### Pricing Factors for PPO Discounts

The following table may be used to transform the estimated overall in-network discount from Worksheet 4, Line 6 into an in-network pricing factor which reflects the leveraging effect of discounted charges on stop loss costs.

The calculation of these factors assumes that 25% of in-network services require referral to non-network providers where no discount is available. For example, the in-network pricing factors for a 20% discount are calculated assuming that 75% of in-network services are discounted 20% and 25% of in-network services are referred out-of-network with no discount. This assumption significantly reduces the leveraging effect of the deductible. For example, the in-network pricing factor for a \$50,000 specific deductible with 25% discount is .70. Without the assumption for referral to out-of-network providers the in-network pricing factor would be .60 (i.e., solve the equation  $.70 = .75x + .25$ ).

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Pricing Factors for Preferred Provider Plans

Discount	Specific Deductible ('000)							
	\$5	\$10	\$15	\$20	\$25	\$30	\$40	\$50
10%	0.90	0.90	0.88	0.88	0.88	0.88	0.88	0.88
11%	0.89	0.88	0.87	0.87	0.87	0.87	0.86	0.86
12%	0.88	0.87	0.86	0.86	0.85	0.85	0.85	0.85
13%	0.87	0.86	0.85	0.84	0.84	0.84	0.84	0.84
14%	0.86	0.85	0.84	0.83	0.83	0.83	0.82	0.82
15%	0.85	0.84	0.83	0.82	0.82	0.82	0.81	0.81
16%	0.84	0.83	0.81	0.81	0.81	0.81	0.80	0.80
17%	0.83	0.82	0.80	0.80	0.79	0.79	0.79	0.79
18%	0.82	0.81	0.79	0.78	0.78	0.78	0.78	0.78
19%	0.81	0.80	0.78	0.77	0.77	0.77	0.76	0.76
20%	0.80	0.79	0.77	0.76	0.76	0.76	0.75	0.75
21%	0.79	0.78	0.76	0.75	0.75	0.75	0.74	0.74
22%	0.78	0.77	0.75	0.74	0.73	0.73	0.73	0.73
23%	0.77	0.76	0.74	0.73	0.72	0.72	0.72	0.72
24%	0.76	0.75	0.73	0.72	0.71	0.71	0.71	0.71
25%	0.75	0.74	0.72	0.71	0.70	0.70	0.70	0.70
26%	0.74	0.73	0.71	0.70	0.69	0.69	0.69	0.69
27%	0.73	0.72	0.70	0.69	0.68	0.68	0.68	0.68
28%	0.72	0.71	0.69	0.67	0.67	0.67	0.67	0.67
29%	0.71	0.70	0.68	0.66	0.66	0.66	0.66	0.65
30%	0.70	0.69	0.67	0.65	0.65	0.65	0.65	0.64
31%	0.69	0.68	0.66	0.64	0.64	0.64	0.64	0.63
32%	0.68	0.66	0.64	0.63	0.63	0.63	0.63	0.62
33%	0.67	0.65	0.63	0.62	0.62	0.62	0.62	0.61
34%	0.66	0.64	0.62	0.61	0.61	0.61	0.61	0.60
35%	0.65	0.64	0.62	0.60	0.60	0.60	0.60	0.59
36%	0.64	0.63	0.61	0.59	0.59	0.59	0.59	0.58
37%	0.63	0.62	0.60	0.58	0.58	0.58	0.58	0.57
38%	0.62	0.61	0.59	0.58	0.57	0.57	0.57	0.56
39%	0.61	0.60	0.58	0.57	0.56	0.56	0.56	0.55
40%	0.60	0.59	0.57	0.56	0.55	0.55	0.55	0.55

1/2012

IV-60

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

Pricing Factors for Preferred Provider Plans							
Discount	Specific Deductible ('000)						
	\$60	\$75	\$100	\$125	\$150	\$200	\$250+
10%	0.87	0.87	0.87	0.86	0.86	0.85	0.84
11%	0.86	0.86	0.85	0.85	0.85	0.84	0.83
12%	0.84	0.84	0.84	0.83	0.83	0.82	0.81
13%	0.83	0.83	0.83	0.82	0.82	0.81	0.79
14%	0.82	0.82	0.81	0.80	0.80	0.79	0.78
15%	0.80	0.80	0.80	0.79	0.79	0.78	0.76
16%	0.79	0.79	0.78	0.78	0.78	0.76	0.75
17%	0.78	0.78	0.77	0.76	0.76	0.75	0.73
18%	0.77	0.77	0.76	0.75	0.75	0.73	0.72
19%	0.75	0.75	0.74	0.74	0.74	0.72	0.71
20%	0.74	0.74	0.73	0.72	0.72	0.70	0.69
21%	0.73	0.73	0.72	0.71	0.71	0.69	0.68
22%	0.72	0.72	0.71	0.70	0.70	0.68	0.67
23%	0.71	0.71	0.70	0.69	0.68	0.67	0.66
24%	0.70	0.70	0.69	0.68	0.67	0.65	0.64
25%	0.69	0.68	0.67	0.67	0.65	0.64	0.63
26%	0.68	0.67	0.66	0.66	0.64	0.63	0.62
27%	0.67	0.66	0.65	0.65	0.63	0.62	0.61
28%	0.66	0.65	0.64	0.63	0.62	0.61	0.59
29%	0.65	0.64	0.63	0.62	0.61	0.59	0.58
30%	0.64	0.63	0.62	0.61	0.60	0.58	0.57
31%	0.63	0.62	0.61	0.60	0.59	0.57	0.56
32%	0.62	0.61	0.59	0.59	0.58	0.56	0.54
33%	0.60	0.60	0.58	0.58	0.57	0.55	0.53
34%	0.59	0.59	0.57	0.57	0.56	0.54	0.52
35%	0.58	0.58	0.56	0.55	0.55	0.53	0.51
36%	0.57	0.57	0.55	0.54	0.53	0.51	0.49
37%	0.56	0.56	0.55	0.53	0.52	0.50	0.48
38%	0.55	0.55	0.54	0.52	0.51	0.49	0.47
39%	0.54	0.54	0.53	0.51	0.50	0.48	0.46
40%	0.53	0.53	0.52	0.50	0.49	0.47	0.45

1/2012

IV-61

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

### **Stop Loss Premium Adjustment Factors**

The premium adjustment factor (e.g., multiplier) for stop loss over a preferred provider plan is developed from Worksheets 1, 2, 3, 4, and 5 from this section, using the information about the network reimbursement levels, utilization of network services and the pricing factors for PPO discounts.

The benefits are assumed to be all allowable medical charges included in the applicable plan which are the responsibility of the plan sponsor.

The stop loss premium rate would be calculated in the regular manner taking into consideration the group's basic medical benefits, stop loss deductible, stop loss maximum, age/gender distribution of employees, industry, deductible, type of underwriting, contract type, etc.

When using the HealthMAPS Stop Loss worksheet, the entry for the Preferred Provider adjustment factor (Worksheet 5, line 7c) is on Line 13 of the worksheet.

Section VII contains a blank copy of Worksheet 5.

When using the accompanying software, the coding requirements and options are described in Section VIII.

# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

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#### Worksheet 5 – Example

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Contracted Network Location: Kansas City – ZIP 641

Calculation of Stop Loss Premium Factor

	(A)	(B)	(C)
Network & Non-Network Category	Pricing Factor	Weight	Weighted Factor (A*B)
1. In-Network Pricing Factor*	<u>75.2%</u>		
2. Network Utilization for Excess Claims		<u>80.0%</u>	
3. Weighted In-Network Factor (1A x 2B)			<u>60.2%</u>
4. Non-Network Pricing Factor (From Appropriate Source)	<u>100.0%</u>		
5. Non-Network Utilization for Excess Claims		<u>20.0%</u>	
6. Weighted Non-Network Factor (4A x 5B)			<u>20.0%</u>
7. Stop Loss Premium Factor (3C + 6C)**			<u>80.2%</u>

\*By interpolating in Pricing Factor tables, using desired Specific Stop Loss deductible and in-network discount from line 6, Worksheet 4

\*\*May be transferred to line 13 of stop loss net premium worksheet

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# Berkley Life and Health Insurance Company

## Arkansas Specific Stop Loss Pricing Methodology

### Network Evaluation

#### Table XIII

HealthMAPS®

2012 Specific Stop Loss

#### Instructions

#### Worksheet 5

- General: Worksheet 5 is used to calculate the stop loss premium factor. This factor is applied to the stop loss premium that would otherwise be calculated in the absence of a negotiated provider network.
- Step 1: Using the table of Pricing Factors for PPO Discounts, look up the pricing factor based on the in-network savings/discount (Line 6 of Worksheet 4 or Column F, Worksheet 2 in the case of hospital only). Record the appropriate factor on Line 1, Column A.
- Step 2: Using historical experience, if available, estimate the amount of in-network utilization for excess claims (preferably based on a percentage of stop loss claim dollars). Record this weight for in-network services on Line 2, Column B.
- Step 3: Calculate the weighted factor for in-network services (Line 3, Column C) by multiplying the pricing factor (Line 1, Column A) by the weight (Line 2, Column B).
- Step 4: Determine the discount (if any) available on non-network claims or the effect of a contract per diem maximum allowance.
- Step 5: From an appropriate source, determine a pricing factor based on the non-network savings/discount (from Step 4). Record the appropriate factor on Line 4, Column A.
- Step 6: Calculate the non-network utilization estimate for excess claims (100% minus Line 2, Column B). Record this weight for non-network services on Line 5, Column B.
- Step 7: Calculate the weighted factor for non-network services (Line 6, Column C) by multiplying the pricing factor (Line 4, Column A) by the weight (Line 5, Column B).
- Step 8: Total the weighted factors for in-network (Line 3, Column C) and non-network (Line 6, Column C). Record the results on Line 7, Column C. This resulting factor can be applied to the stop loss premium that would otherwise be calculated in the absence of a negotiated provider network.



<b>State:</b>	Arkansas	<b>Filing Company:</b>	Berkley Life and Health Insurance Company
<b>TOI/Sub-TOI:</b>	H12 Health - Excess/Stop Loss/H12.001 Accident & Sickness		
<b>Product Name:</b>	Employer Stop Loss		
<b>Project Name/Number:</b>	Employer Stop Loss/AH52021		

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Application	Approved-Closed	09/14/2012
Comments:	The application is attached for approval under the form schedule. The form number is AH52022-AR		

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification	Approved-Closed	09/14/2012
Comments:	Attached.		
Attachment(s):			
AR - Readability ESL.pdf			

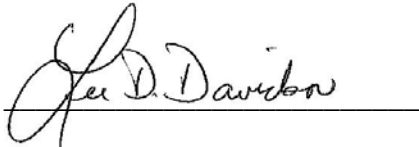
CERTIFICATE OF COMPLIANCE  
FOR ARKANSAS

This is to certify the attached form has achieved the Flesch Reading Ease Score given below and complies with the requirements of Arkansas Stat. Ann, 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language simplification Act.

Form Name: Stop Loss Insurance Policy

Form Number: AH52021

Flesch Reading Ease Score: 50.1

A handwritten signature in cursive script, reading "Lee D. Davidson", is written over a horizontal line.

Lee D. Davidson, Vice President

August 13, 2012

Date